

AMERICAN NEWS

Reagan budget revived to speed up negotiations

By Anthony Harris in Washington
MR RICHARD DARMAN, the US budget director, has revived Mr Reagan's January budget in an effort to get spending negotiations off the ground.

Mexico cracks down on drug traffickers

Richard Johns analyses the Salinas government's achievements in narcotics control

ON TUESDAY the Mexican Government took the unusual step of calling a press conference to vaunt the achievements of President Carlos Salinas de Gortari's administration in its intensified struggle against narcotic output and trafficking after only 88 days in office.



President Salinas: keeping one eye on Washington

Although Mr Javier Coello Trujillo, under-secretary at the Attorney General's office, denied it, the exercise was clearly conducted with an eye on Washington and the "certification" process, whereby President George Bush will be required this spring to report on whether Mexico, and other producers, are co-operating adequately to curtail the illicit drug trade.

UN anti-narcotics convention drawn up in Vienna last December (signed by Mexico on February 16), collaboration will be in four areas - reduction of demand, control of supply, suppression of illegal traffic, and treatment and rehabilitation.

The form and wording of the bilateral treaty satisfies Mexico's contention - and defence - that the problem relates more to demand than supply. It also pays due regard to Mexico's sensitivity about sovereignty and non-intervention in its internal affairs.

Co-operation in stopping the movement of narcotics from and through Mexico to the US was one of the major subjects of discussion when Mr Salinas met Mr Bush near Houston last November before their respective inaugurations.

Under the accord concluded within the framework of the

between its progress in combating the problem of drugs and Washington's help in alleviating its debt problem - has gone to great lengths to publicise successes in seizing caches of drugs and arresting traffickers.

On February 20 the Attorney-General's office said agents of the Federal Judicial Police had seized 1,385 kilograms of pure cocaine the previous week.

It also reported the arrest of Dino Catani, a drug trafficker of Italian nationality believed to be linked to the Medellin cartel of Colombia, three Mexican associates and two Colombian pilots. Their aircraft, a Turbo Commander 1000, and a cargo consisting of 650 kg of cocaine paste (each kilogram of paste makes about 7 kg of the finished product) was seized.

Quite apart from US relations, Mr Salinas and his young Cabinet colleagues are known to be desperately anxious to eliminate the illicit business which they see as a major threat to state security and to the authority of the government.

Mr Salinas is known to have asked the US for information about alleged links between Mexican politicians and drug traffickers. He is thought to be planning a dramatic arrest and indictment to match those brought against Mr Joaquin Hernandez Galicia, the former boss of the oil workers' union, and Mr Eduardo Legareta, the head of Operadora de Bolsa Brokerage Firm. Earlier this year the Government launched an investigation of the laundering of drug earnings, an area in which the US had been collaborating, according to Mr Coello.



President Salinas: keeping one eye on Washington

City's Police Department, indicted by a Grand Jury in San Diego in 1981 because of alleged involvement in a ring dealing in stolen cars and for jumping bail, he resigned his post last week "for personal reasons". The announcement was no coincidence coming the day after signature of the treaty.

Recently the Mexican Attorney-General's office was infuriated by a report in the Washington Post - to the point of issuing a statement of protest - based on the testimony of Mr David Wheeler, a convicted drug trafficker-turned-informant in the court case in San Diego in which four Mexicans and three Bolivians are being tried on drug trafficking charges.

It has emerged in the trial that the US Assistant Attorney-General in San Diego had issued outstanding warrants for the arrest of two senior Mexican military officers, who are still serving.

When commanding the 25th military zone in Puebla, General Juan Doblado Silva and his deputy Lieutenant-Colonel Salvador de la Vega are alleged to have offered air refuelling facilities for traffickers flying from Colombia. They have not been indicted.

In the San Diego trial the names of not only Mr Nazar and another former member of FDS, Mr Estaban Guzman, have been mentioned in connection with drug trafficking, but also General Juan Avelardo Garibolqui, former Minister of Defence in the last Mexican administration. None of the three has been indicted. Asked about these embarrassing allegations and reports, Mr Coello replied: "Mexico's penal law does not base itself on gossip."

Hopes rise of closing US N-plant

THE long dispute over the Shoreham nuclear power plant on Long Island, a symbol of the demoralised US nuclear industry, appears to be ending after the agreement on Tuesday by New York state to buy and close down the plant, writes James Buchanan in New York.

But the agreement, which was signed by Mr Mario Cuomo, the state governor, and the local utility, could be derailed. A similar plan to close the \$5.5bn plant last year collapsed when the state legislature refused to share the political burden of closure, which would mean rate increases and possibly power cuts on Long Island.

Under the new plan, New York state will buy the plant for \$1 from the Long Island Lighting Company, New York will then decommission the plant while Lico will attempt to recoup the capital costs by heavy rate increases.

State politicians say two new features give the plan a greater chance of success. Mr Cuomo is not, this time, insisting on backing from the state legislature. Secondly, Lico will not be guaranteed the rate increases but must negotiate them with the state Public Service Commission.

Brazilian inflation slows in February

BRAZIL'S monthly inflation rate dropped to 3.6 per cent in February, down from the record 7.0 per cent the previous month, as a result of the price freeze imposed in January's austerity plan, writes Ivo Dawson in Brasilia.

The figures for both months are distorted, with January taking in more than 30 days and February representing only 11 days during which shops were open.

Daley Jr advances

MR Richie Daley, whose father Richard was mayor of Chicago for 23 years, was a step nearer holding the same post after a Democratic primary on Tuesday, AP reports.

He defeated Mayor Eugene Sawyer by 56 per cent of votes to 43 per cent and advanced to the general election on April 4. The contest has been won by Democrats since 1931.

US savings grow as incomes rise sharply

By Anthony Harris in Washington
US PERSONAL incomes rose sharply in January by 1.8 per cent over the previous month, led by rising wages. But virtually the whole increase was saved and real consumer spending fell 0.5 per cent, reversing the rise in December.

incomes, which included receipts of drought relief payments, and by a further rise in personal interest income.

The interest trend represents rising rates and is a transfer within the personal sector from borrowers to savers. This does not increase money available for spending.

However, the subdued level of consumer spending, up only 0.1 per cent in cash terms, suggests that the savings trend is rising apart from special factors. The savings rate fell to 3.2 per cent in 1987, rising a point to 4.2 per cent in 1988, following the stock market crash.

Inadequate personal saving was recently singled out by Mr Alan Greenspan, the Federal Reserve chairman, as a major cause of high real interest rates and the trade deficit.

For the third consecutive year Canada has reported a record current account deficit after a sharp deterioration in the fourth-quarter merchandise trade surplus, writes David Owen in Toronto.

For the year, the deficit reached C\$11.3bn (£5.4bn), up 6.6 per cent from C\$10.6bn in 1987. The merchandise trade surplus fell to C\$9.6bn from C\$11.1bn. This left a deficit on

non-merchandise transactions of C\$20.9bn, against C\$21.6bn a year ago.

The fourth-quarter current account deficit almost doubled from C\$2.2bn in the third quarter to reach a record C\$4.3bn. This followed a 39 per cent decline in the merchandise trade surplus to C\$1.9bn - the lowest level since the third quarter of 1981 - against C\$3.1bn in the previous quarter.

The trade surplus with the US, Canada's largest trading partner, tumbled off sharply. This was mitigated, however, by the emergence of surpluses with Japan and countries outside the Organisation for Economic Co-operation and Development.

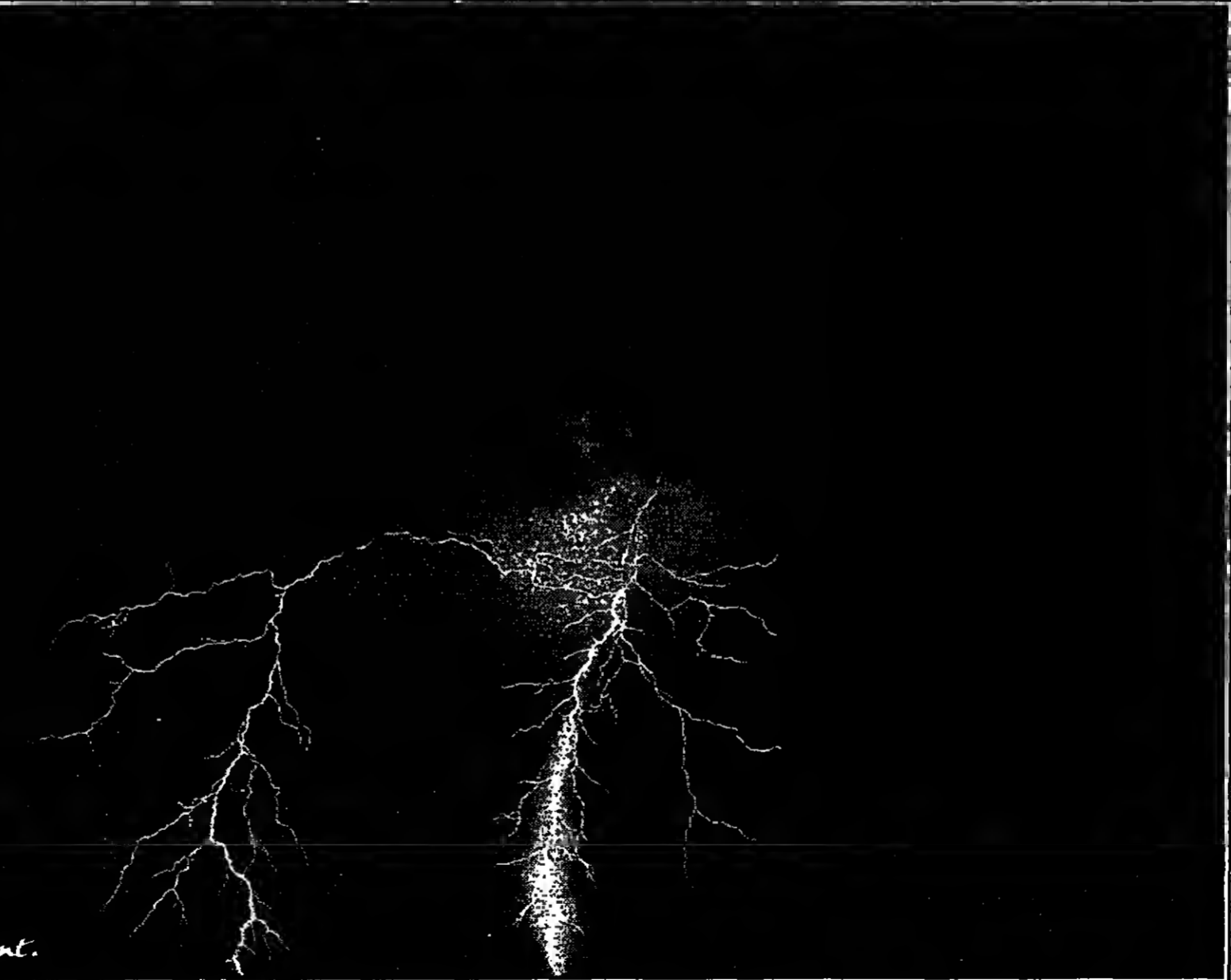
A record C\$5.4bn deficit on investment income was also recorded, due to exceptionally

large dividend payments, partially offset by dividend receipts. In the third quarter, the investment income deficit amounted to C\$4.6bn.

There was better news on Gross Domestic Product, with confirmation that the Canadian economy expanded by 4.5 per cent in real terms during the calendar year - giving a sixth consecutive year of economic growth.

Fourth-quarter growth reached 0.6 per cent, somewhat below the 0.5 per cent average quarterly rate of advance. Domestic demand was up a strong 5.9 per cent in volume terms for the year as a whole, with the strongest component being business outlays for plant and equipment.

These soared by 17.8 per cent, the largest annual percentage increase for 33 years.



In any event.



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OVERSEAS NEWS

Hong Kong in line for record budget surplus

By Michael Murray in Hong Kong

THE Hong Kong Government will run up a record budget surplus of HK\$14.2bn (£1.04bn) in the fiscal year which ends this month. But with unemployment at an all time low and the economy running up against severe capacity restraints, Mr Piers Jacobs, the Financial Secretary, chose yesterday to highlight the battle against inflation when he unveiled a cautious budget.

The budget included a half percentage point of personal and corporate tax rates and modest increases in spending on social services and infrastructure projects.

Mr Jacobs reaffirmed the Hong Kong Government's commitment to preserve the link between the local currency and the US dollar, abolished the interest rate ceiling on Hong Kong dollars and announced that a period of consultation will soon get under way on the probable introduction of indirect taxes levied at the wholesale level.

The huge budget surplus, which was almost triple the government's original estimate, has come as a result of better than expected economic growth and rising wages bringing in increased tax revenues. Tax thresholds have been raised in order to help maintain the system whereby most Hong Kong wage earners pay no income tax, while personal taxes have been lowered from 15.5 to 15 per cent.

Corporate profits taxes have also been reduced by half a point to 16.5 per cent from April 1. These tax cuts will cost the Government around HK\$300m in the coming fiscal year.

Mr Jacobs acknowledged

public expectations of increased expenditure in the light of the huge surpluses being made, but warned about rising inflation which ran at 7.5 per cent in 1988 and is officially forecast to average 8.5 per cent this year - a figure widely considered to be on the low side.

He revealed that Hong Kong's Gross Domestic Product grew by 7.5 per cent in real terms in 1988, with unemployment at a historic low of 1.3 per cent in the fourth quarter. The forecast for 1989 puts GDP growth at 6 per cent, with domestic exports expected to rise by 7 per cent and re-exports by 22 per cent, underlining the growing importance of Hong Kong as an entrepot for China.

The development of Hong Kong's capital markets was given a double boost by the abolition of the interest withholding tax on paper denominated in Hong Kong dollars, together with the green light for a planned programme of short-term government debt instruments for its poverty-stricken economy.

The country urgently needs foreign economic support and is launching a diplomatic offensive to coincide with its plans to withdraw troops from Kampuchea. The withdrawal should end a US-led international trade and aid embargo.

Vietnam is also courting its Asian neighbours and other Western countries by agreeing to take back volunteers from among 10,500 immigrants who have arrived in Hong Kong since last June as boat-people. The first aircraft load of 70 to 80 repatriates should arrive in Hanoi tomorrow.

But there is no possibility of the IMF or the World Bank providing new funds until their outstanding debt is at least partially repaid.

Repayment of the \$120m was discussed last month when IMF officials visited Hanoi. It is believed that an agreement was reached for Vietnam to organise repayment of around \$40m-\$50m after which the IMF would help arrange bank loans to repay the rest.

Because of its occupation of Kampuchea, Vietnam is boycotted by most Western countries. Sweden, the only big bilateral donor, gives \$50m a year. But it has refused to raise this to keep pace with inflation in recent years and has said the funds will stop next year if the troops do not withdraw.

Western countries are now considering how much to donate if the troops do withdraw and a preliminary meeting of ambassadors of countries involved, including Britain, met yesterday in Hanoi to consider what will be required.

Likud local election gains leave Labour floundering

By Andrew Whitely in Jerusalem

THE LIKUD party of Israeli prime minister Mr Yitzhak Shamir made sweeping gains in Tuesday's municipal elections, capturing six out of the ten largest cities and a string of middle-sized towns. Both Jewish and Moslem religious parties also made an exceptionally strong showing in their own redoubts.

In Jerusalem the combined religious vote topped that for the Labour-aligned slate of Mr Teddy Kolek, the capital's mayor. Mr Kolek himself was returned to the mayor's office for a sixth successive term, but with a reduced share of the vote.

Triumphant Likud leaders yesterday hailed the outcome as a popular endorsement of their bitter opposition to the Palestine Liberation Organisation. The left and right are currently locked in a see-saw battle over who best represents the mood of the people.

Mr Shamir and Mr Moshe Arens, his Foreign Minister, may now use the results to argue with the West that there is no majority in Israel for changing the Government's long-standing refusal to talk to "a band of terrorists".

For the social-democratic Labour Alignment, successor to the historic Mapai party of Mr David Ben-Gurion, one of Israel's founding fathers, the results were almost as bad as blow as the 1977 general elections which first brought

the Likud to national power. Some observers saw the results as demolishing Labour's lingering claims to represent the political centre of the country.

The once-mighty Labour machine was shown to have atrophied in recent years, losing the near-automatic ability it used to display to bring out the voters.

Heartland towns such as Holon, Ramat Gan and Tiberias all switched sides to the Likud, strengthening Mr Shamir's political base for the scheduled 1992 general election.

Discontent within Labour, already riven by its leadership's decision to join the coalition government as a

junior partner, was quick to resurface yesterday. In a fresh challenge to Mr Shimon Peres, the party's leader for the past 12 years, Mr Moshe Shahal, the Energy Minister, called for a shake-up at the top. Another mainstream Labour parliamentarian, Mr Shevah Weiss, acknowledged that it would be an uphill struggle for Labour to reverse the trend first displayed in the November general elections and confirmed on Tuesday.

Mr Peres, who reluctantly accepted the post of Finance Minister in the government Mr Shamir formed last December, said the municipal elections should not be treated as a referendum. "I agree to hold a referendum on the subject of

peace. Then we would know where things stand," he told the Army Radio.

Israeli commentators noted the significance of the spectacular rise of the extremist Moslem Brotherhood in Israeli Arab towns and villages in the Galilee and the so-called Triangle region in the north, where the voter turnout in some places was as high as 95 per cent.

The Moslem Brotherhood captured control of Umm al-Fahm - the second largest Arab town within the pre-1967 Green Line - from the communists. However, Mr Ehud Olmert, a government minister in charge of minority issues, dismissed the result as a protest vote.

Mr William Waldegrave, the British Foreign Office Minister on a fence-mending visit to Israel, said yesterday that nothing Britain wanted to recommend should in any way undermine the security of the Jewish state.

"The connections between peace and security are matters that are understood by both Britain and Israel," Mr Waldegrave assured his official host, Mr Benjamin Netanyahu, the right-wing Deputy Foreign Minister. In 1988, last January, the British minister told the Palestine Liberation Organisation he hoped the Palestinians would one day have a place they could call their own.

Vietnam to try to repay IMF debts

By John Elliott in Hanoi

VIETNAM has agreed to make a fresh attempt to repay long-outstanding debts of around \$120m to the International Monetary Fund as part of its campaign to rebuild its international image and attract foreign aid and investment for its poverty-stricken economy.

The country urgently needs foreign economic support and is launching a diplomatic offensive to coincide with its plans to withdraw troops from Kampuchea. The withdrawal should end a US-led international trade and aid embargo.

Vietnam is also courting its Asian neighbours and other Western countries by agreeing to take back volunteers from among 10,500 immigrants who have arrived in Hong Kong since last June as boat-people. The first aircraft load of 70 to 80 repatriates should arrive in Hanoi tomorrow.

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Heroin's grip on Pakistan shows no sign of loosening

Christina Lamb reports on efforts to destroy the poppy crop and the wealth flowing from drugs

W ITH hundreds of millions of dollars of US aid at stake Pakistan has at last begun an operation to destroy its huge poppy crop, but with no attempt to tackle what US officials describe as "the world's largest safe-haven for heroin processors".

Hearings are due to start in Washington this week for the Congressional drug certification process according to which Pakistan must maintain "credible enforcement" of narcotics control if it is to continue receiving a badly needed \$626m a year in US aid.

Angry tribesmen fired on two helicopters escorting a special bullet-proof State Department aircraft as it started spraying 270 acres of an estimated 700 acres of standing poppy crop in Pakistan's Frontier Province. But US officials are angry that this is a cosmetic operation being undertaken to send a signal to Washington while Pakistan refuses to do anything about the real problem - more than 100 laboratories in the tribal areas from which heroin suppliers operate with complete safety, earning an estimated \$100m a year per lab.

The aircraft has been in Islamabad for seven weeks, the Frontier Government reluctant to allow the spraying, fearing repercussions from the well-armed tribesmen who have mounted anti-aircraft guns on the mountains. Thirteen people died in riots in 1986, the last time police tried to enforce spraying. Mr Aftab Sharpeo, chief minister of the province, said spraying was the last resort: "We would prefer to use moral pressure."

However Mr Sharpeo admits that previous methods of paying compensation to farmers to destroy their own crop have



only resulted in increased production while a \$20m project in Dir financed mainly by USAID to persuade farmers to stop growing poppy by improving rural development has failed dismally.

Began in 1986 by the Frontier Government under the auspices of United Nations Fund for Drug Abuse Control (UNEDAC), a Pakistani narcotics official admits "the farmers have used the irrigation and wells we have put in to grow better poppy". In fact in one area of Buner where poppy had been wiped out by drought, an extensive irrigation system was constructed, and poppies are now standing a foot tall. Despite these failures, the US State Department has just sanctioned another \$25m.

According to Pakistani narcotics officials, spraying will cut the opium crop this year from more than 150 tonnes to 60 tonnes, enough for six tonnes of heroin. However, domestic consumption of heroin last year was more than 46 tonnes while a further four tonnes were seized making Pakistan a net importer. This even if all poppy growing is

eradicated, the real problem is the stuff coming from Afghanistan to be processed in Pakistan. The UNEDAC official says once refugees start returning, poppy being an easy cash crop. Ms Benazir Bhutto, Pakistan's new Prime Minister, takes every opportunity to reassure her American benefactors that narcotics control is a priority of her administration but there has been no real attempt to tackle the problem because of the large number of senior military and political figures involved and the fear of upsetting the "tribals".

In tribal areas government authority extends only on the roads and customs officials are powerless to act as socks of heroin are moved alongside the road on mules before their eyes.

Even seizures are cosmetic. Numerous front-page stories appear of drugs seizures, which always seem to end "and the miscreants escaped under cover of darkness". A European drugs official complains: "The corruption is unbelievable - they are clearly stopping trucks, seizing the heroin then selling it back."

A recent survey showed that one in 15 people in Pakistani towns are heroin addicts and one in 23 in rural areas. All main cities have thriving drug dens, particularly Karachi where there are more than 40. The Pakistani Government may be reluctant to touch an industry which generates an estimated \$3bn a year into an economy which is more black than white, but a Western diplomat points out: "It is hard for a democracy to ignore statistics revealing more than 1m heroin addicts in a population of 102m compared to 500,000 in the US with its 240m population."

Burma bars military from election

By Robin Pauley, Asia Editor

BURMA yesterday announced a draft election law which would theoretically bar military officers currently running the country from standing for elections promised for early next year.

However, the draft significantly omits to mention how long it would take for the full transfer of power to elected representatives and there is no indication so far that the draft is anything other than cosmetic enabling the military to keep its stranglehold on power under another guise.

The state-run Radio Rangoon said government employees, including members of the armed forces and police, could not stand for election. This would eliminate General Saw Maung and other members of the ruling military council which seized power last September unless they resigned from the armed forces.

Observers believe Gen Saw Maung and the real power in Burma, U Ne Win, who resigned in July after 26 years of autocratic rule but who still pulls all the strings, are unlikely to have any difficulty in continuing to rule under yesterday's proposals.

Gen Saw Maung's troops brutally put down a pro-democracy uprising last year and the abuse of human rights reached such a level that many countries cut all economic aid to Burma. Most, including Britain, have not restored that aid.

The draft law sets 18 as the voting age and reduces the earlier minimum age of candidates from 24 to 21 years of age. Those banned from participation include "individuals having allegiance to foreign powers," members of parties who receive financial support from foreign organisations and people with links to Burma's numerous rebel groups.

Jordan halts bilateral loan payments

JORDAN has stopped making payments on bilateral loans, considering seeking help from the International Monetary Fund and the Paris Club of lenders, a Central Bank official said yesterday, AP-DJ reports.

"We are having arrears being built in the bilateral loans," said Mr Maher Shukri, the bank's deputy governor. "In the commercial loans, we are rolling over the principal and paying the interest," he said. "We have been making payments (on commercial loans). But bilaterally, yes, we can say they have stopped from the beginning of this year."

Mr Shukri said Jordan faces about \$1.2bn in loan repayments this year. About half of those are bilateral military loans, many from the US, France, Britain and the Soviet Union.

Mr Shukri said the kingdom is considering a standby loan from the IMF and would discuss options with an IMF team due to visit this month.

Oman reduces output of oil

Mr Saeed al-Shanfari, Oman's Oil Minister, announced a 5 per cent cut in crude oil production starting April 1. Local newspapers reported yesterday that the cut, reportedly ordered by Sultan Qaboos, the Omani ruler, was a direct result of talks last month in London among oil producers outside the Organisation of Petroleum Exporting Countries, the announcement stated.

Oman currently produces at an estimated 60,000 barrels a day. Oil revenues are the backbone of the economy of the Gulf sultanate, and it has led efforts outside the 15-member cartel to curb output to arrest the oil price slides of the past three years.

Japan's industrial output up 1.2% in January

By Clive Wolman in Tokyo

JAPAN'S industrial output continues to surge ahead boosted by strong domestic demand, with the production index in January up a further 1.2 per cent over December.

The figures reported on Tuesday by the Ministry of International Trade and Industry show a 9.4 per cent year-on-year increase for January. Among the strongest of the 14 sectors were the general machinery industry, with a 2.3 per cent rise, and the steel industry with a 2.0 per cent rise, primarily the result of strong demand for factory construction. The output of the petroleum and coal industries fell by 9.2 per cent because of January's warmer weather, although production in this sector was still up by 3.7 per cent over January 1988.

The inventory index rose 2.0 per cent over December and 7.0 per cent over 1988 boosting the ratio of inventory to sales from 90.7 to 92.5 per cent over the last year.

Mr Matthew Barlow, an economist at Credit Lyonnais, said that the surge in production was partly the result of strong capital expenditure and the effects of the introduction of a sales tax in April. He is predicting 6.8 per cent growth for the year. Mr David Pike of UBS Phillips and Drew identifies inventory rebuilding by manufacturers, after unexpectedly strong sales in 1987-88, as the key factor behind the rise in production.

Switch to Namibian independence starts

By Anthony Robinson in Johannesburg

THE process leading to independence for Namibia (South West Africa) now appears to be well under way following dissolution of the internal "transitional government" and the arrival in Windhoek earlier this week of the first military officers of the special UN task force (Untag).

Yesterday Mr Louis Pienaar, the Administrator General appointed by Pretoria, took over responsibility from the internal transitional government formed in June 1985 when Pretoria looked set to continue indefinitely its indirect rule of the former German colony and UN trust territory.

From April 1 Mr Pienaar will share responsibility for guiding Namibia to independence under UN resolution 435 with Mr Martti Ahtisaari, the special representative of the UN secretary general who is expected to arrive in the Namibian capital on that date.

This week the UN formally approved a \$416m budget to finance the 4,650 soldiers and policemen from 23 member nations who will patrol Namibia's border with Angola and supervise elections to a constituent assembly due to be held on November 1.

Gen Dewan Prem-Chand, the Indian commanding officer of the military component of the UN Transitional Assistance Group (Untag) arrived in Namibia on Monday to an ecstatic welcome organised by the South West Africa People's Organisation (Swapo). He is looking for suitable accommodation in Windhoek where rents have rocketed as diplomats, soldiers, journalists and traders hunt for offices, embassies and facilities.

Swapo, which will lose its UN-recognised national status as "sole legitimate representative of the Namibian people" on April 1 at the start of the seven-month election process, is expected to win a majority of the votes. The main aim of the non-Swapo parties fighting the election is to prevent the marx-

Unions defy Sudanese Premier

By Julian Ozanne in Nairobi

SUDAN'S trade unions yesterday joined the armed forces in calling the bluff of Sadiq al-Mahdi, the Prime Minister, by refusing to give the Government an undertaking that they would not strike while he supplies with the nation's mounting political crisis.

The statement, issued by an alliance of 38 trade unions and opposition parties, follows the decision by the military on Tuesday that they would not back down from their contention with the Government by promising not to stage a coup. The Armed Forces High Command maintain they have a constitutional obligation to the

Taiwan curbs credit for developers

Taiwan's Central Bank is trying to rein in galloping property prices by limiting bank loans to developers, Reuters reports from Taipei. Under rules announced by the Central Bank yesterday loans for land purchases can be no more than 40 per cent of the land price as assessed by the Government in February.

Indonesian trade surplus up sharply

Indonesia's 1988 trade surplus rose sharply to \$5.77bn from \$4.63bn a year earlier, according to figures announced yesterday by Mr Harmoko, the Information Minister, Reuters reports.

Ghana reaps the harvest of strict obedience to the IMF

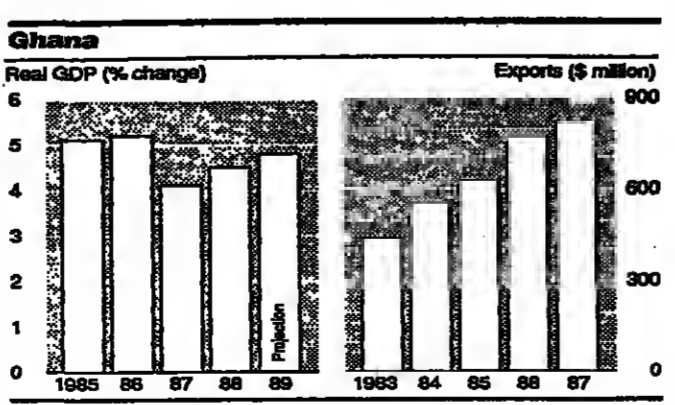
Michael Holman asks whether the African nation most favoured by aid donors can maintain its success story

FOR a few hours in December 1983, the Finance Minister, but should not drop below 5 per cent.

Donors are delighted. Once Africa's inspiration, when it led the surge to independence which began in the 1950s, Ghana became a symbol of the continent's post-independence malaise as mismanagement and corruption turned the country into a coup-prone basket-case. But today it is the vehicle for a new role model for the continent.

Last year it became the third largest recipient in the world, after India and China, of funds from the International Development arm of the World Bank. A recent \$120m IDA loan pushed the agency's lending to Ghana to more than \$1bn since 1983.

Mr Seung Hong Chol, until recently resident representative of the World Bank, explains why: "The Bank believes that structural adjustment is a key to Africa's economic recovery and Ghana is one country in Africa where a structural adjustment programme is working... Until



1983 Ghana was really a hopeless case... today it is almost a different country. The adjustment formula is familiar, adopted in varying degrees (though sometimes abandoned) by nearly 30 states in sub-Saharan Africa. In Ghana, however, it has been pursued with great rigour.

An overvalued government bureaucracy has been drastically cut. Most price controls have been lifted. Trade has been liberalised.

The currency, the cedi, has been successively devalued, and more than 100 government-licensed foreign exchange bureaux around the country buy and sell hard currency. Government spending has been slashed. Agriculture producer prices have steadily increased.

You say, what happened to the revolution? Mr Rawlings responds to a questioner who reminds him of the radical rhetoric which marked the 41-year-old leader's seizure of power. "Ask the farmer. The revolution is in the countryside."

The results are impressive, and Mr Seung Hong Chol ticks them off. Budget deficits of the 1970s have been changed into budget surpluses. Inflation has been cut from triple digit to 15 per cent. Exports - in particular gold and timber - have risen sharply, encouraged by

the devaluation.

Arrears on external debt have been reduced from \$200m in 1983 to about \$70m. The balance of payments has moved from deficit to a surplus of \$139m in 1987, and an estimated \$126m last year.

But donors and government officials like to think that the point has not been reached when the recovery is self-sustaining, fuelled not by concessional aid but by a healthy private sector finding a regional or international market for manufactured goods.

But another issue, with critical implications for other African countries striving to follow the Ghanaian model, arises from the answer to the question: how much has Mr Rawlings' success story cost the international community?

According to figures provided by the World Bank, \$2.62bn has been made available over the five years 1984 to 1988.

In addition, IMF lending comes to \$775m, making up nearly a quarter of Ghana's \$3.23bn external debt.

In short, Ghana has become one of the world's most favoured aid recipients.

Setting aside one donor's cynical view that assistance on this scale should in itself guarantee growth, some observers ask whether there is enough in the international kitty to sustain other African countries who are taking what has been called the IMF medicine.

Professor Akiyasa Sawyer, vice-chancellor of the University of Ghana, (who is a critic of the adjustment programme on several grounds) says that the answer is no. The gap between anticipated financial flows to Africa 1986 to 1990, and the level required for a sustained economic revival, can be measured in the billions of dollars, he argues.

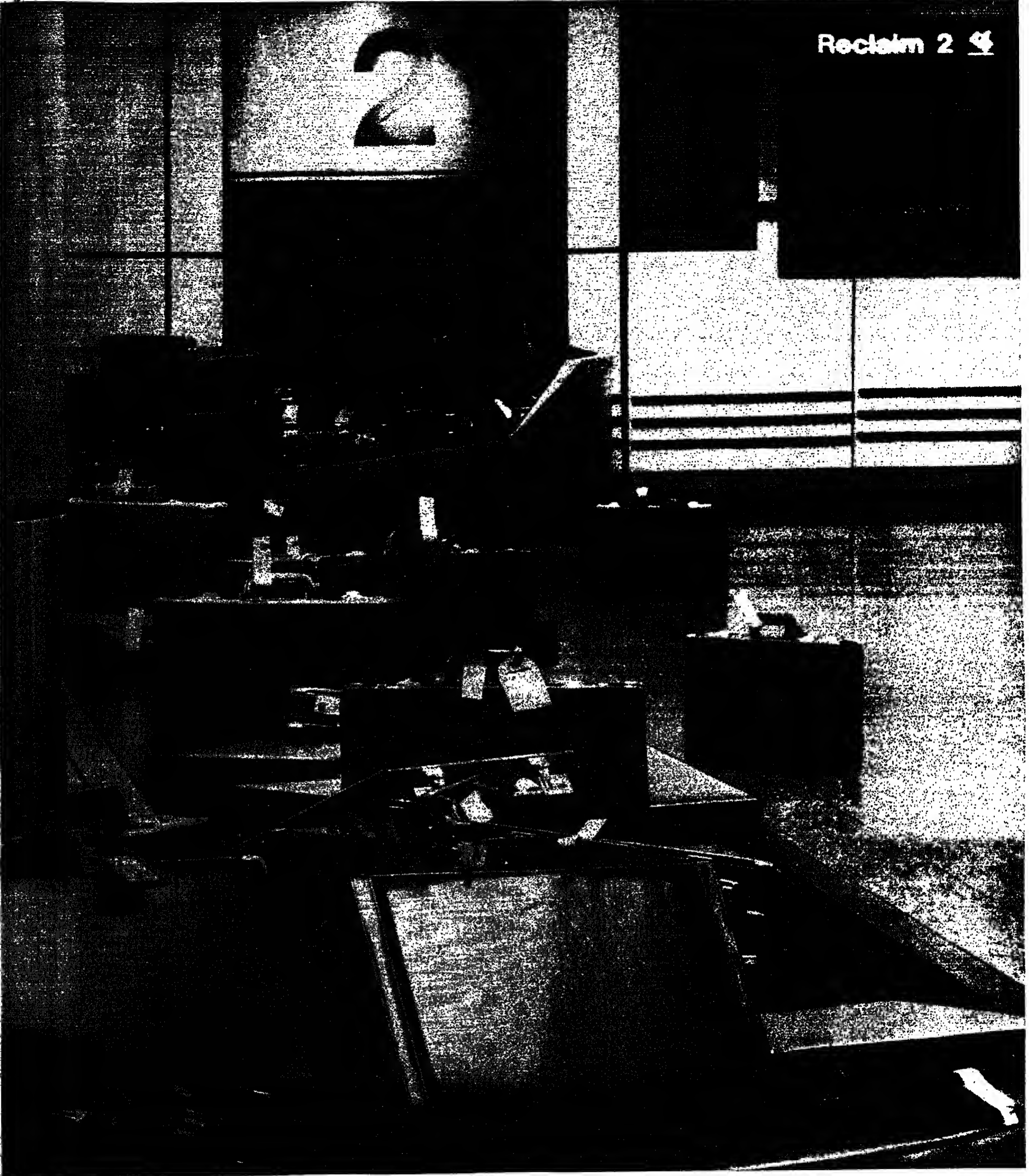
If Professor Sawyer is correct - and over recent months a succession of United Nations and other reports have been warning that Africa needs more resources if it is to implement an economic recovery programme - Ghana's example may be out of reach for other African countries.

Philippine exports increase by 24%

Philippine exports grew 24 per cent to a record \$7.77bn in 1988 compared with \$5.72bn in 1987, Mr Jose Concepcion, the Trade Secretary said yesterday, Reuters reports from Manila.

In a report to President Corason Aquino, Mr Concepcion said the \$7bn level was higher than projected and marked a milestone in the country's drive towards industrialisation.

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WORLD TRADE NEWS

Hong Kong appeals over EC video tape dumping duties

By William Dawkins in Brussels

THE Hong Kong Government has appealed against European Community anti-dumping duties of between 8.1 per cent and 59.3 per cent imposed last year on video cassette tapes imported from the British colony.

Its challenge, submitted to the European Commission, represents one of the rare occasions when a Government has formally asked for companies being charged anti-dumping levies. This reflects the political sensitivity aroused by the spate of EC anti-dumping

actions against Hong Kong, though some of the companies involved are also too small to mount an appeal on their own.

The Brussels authorities have launched six other inquiries over the past 16 months into alleged unfair underpricing of Hong Kong exports of mobile telephones, closed without the imposition of duties - small colour televisions, audio tapes, photograph albums, tungsten ore and silicon metal.

The details of the appeal against levies on video cas-

ettes are confidential, though some observers have questioned whether the economy with such a small domestic market can afford to export products at below normal value.

The Government is questioning both the allegations of dumping and of injury to European industry. It comes in the wake of a flurry of diplomatic activity over the past fortnight, including visits to the Commission by Mr Stuart Harrison, the colony's deputy trade director.

Applications for cover to new agency reach \$1bn

By Peter Montague

THE new Multilateral Investment Guarantee Agency formed by the World Bank last year, has received preliminary applications for insurance cover of projects in developing countries, and hopes to begin writing cover within the next 3-4 months, Mr Yoshio Teramawa, its Executive Vice-President, said.

MIGA, part of the World Bank group but operating as a separate legal entity, was set up to promote direct investment in developing countries through providing political risk insurance against political risk such as asset expropriation by the host government and restrictions on profit and dividend repatriation.

Mr Teramawa said seven preliminary applications have been received for cover of projects in mining, agro-business, banking and manufacturing in Chile, Indonesia, Turkey, Egypt, Hungary and Ecuador.

Mr Jürgen Voss, Deputy General Counsel, said studies by OFEC, the US investment insurance agency, suggested about half its own projects represented extra investment otherwise not forthcoming.

Revitalising investment flows to the developing world is seen as a major plank in international efforts to alleviate the debt crisis. Mr Voss said US multinationals had earned an 11.4 per cent return on their investments in developed countries between 1980 and 1985, with a 17 per cent return on investments in developing countries.

MIGA, with insurance capacity of \$5 billion, could help promote such flows of investment by making them more secure. Its structure was designed to keep claim payments to a minimum. The host-country does not only have to approve each project individually. A country subject to a claim can, however, sue the agency, said Mr Voss.

Because of the co-operative nature of MIGA, all its member countries, including those which joined in the hope of receiving investment, would have to contribute to financing claim payments against asset expropriation. This was a key condition for the World Bank group.

Mr Voss said one emerging role for MIGA was in helping promote "build-own-transfer" (BOT) projects in developing countries. These are financed by the private sector, which would own and operate the project through revenue from the project itself.

MIGA could only insure the equity portion of such projects and would not become involved in insuring bank loans, but part of its cover includes protection against a host country's breach of contract. This meant, for example, that a government contract to buy electricity from a BOT power station could be insured, providing indirect comfort to lending banks whose loans would be serviced out of proceeds from sales.

US move to force open markets

By Nancy Dunne in Washington

THE White House has submitted a seven-point plan to Congress aimed at forcing open foreign markets through the use of multilateral negotiations as well as bilateral efforts and "selective unilateral actions".

The White House said it expected "intense pressure" in the multilateral trade negotiations to accept short-term reforms in agriculture trade "without reaching substantive agreement on the scope of long-term multilateral reform in agriculture". It reiterated US insistence that no short-term measures would be possible without agreement on a long-term framework.

Although most of the policies were inherited from the Reagan administration, the plan contained a new emphasis on proposed negotiations to reach an international consensus on eliminating market-distorting practices in the global steel market.

The plan also mentioned "initiatives to monitor the EC's 1992 internal integration project to ensure against a 'Fortress Europe'".

In testimony on Capitol Hill yesterday, Mrs Carla Hills, the US Trade Representative, expanded on the formal policy statement.

"We cannot fall into the trap of suspending all actions against unfair trade practices on the ground that such actions would spoil the atmosphere for the Uruguay Round. On the other hand, we will not achieve our objective of open multilateral markets simply by closing our own markets in retaliation," she said.

She cited as an example the controversial countermeasures

initiated against Brazil for refusing to provide patent protection for pharmaceuticals and chemicals.

The US has been strongly criticised by its trading partners for raising tariffs when there was an agreement within Gatt not to do so, "but we felt we had no choice but to put the world on notice that we will not rule out trade-restrictive measures that may be responsive to the threat of US intellectual property loss".

Mrs Hills said she had established a working group to deal with the expiry on September 30 of US steel quotas. The group would also contact the Voluntary Restraint Agreement countries. Some countries had already informed the US that they would not continue their voluntary restraints, she said.

Hungary may shift trade to West

By Leslie Collett in East Berlin

HUNGARY is considering a shift in its foreign trade away from Comecon and towards the West in order to lower its near-\$18bn (£10bn) debt.

A government committee under Mr Rész Nyers, Minister of State for the Economy and Finance, has issued guidelines which recommend a radical change in the limitations on Hungary's exports to the West.

Hungarian trade last year was divided nearly 50-50 in volume between Comecon and the West.

A summary of the guidelines, in the economics newspaper Figyelő noted that Hungary's lack of export competitiveness in the West was mainly the result of selling most of its output at home and in Comecon markets because of ideological and political considerations.

A Hungarian "opening" to the West did not appear unacceptable to the Soviet Union and Hungary's other Comecon partners.

The committee noted that Hungary needed annual fresh credits of up to \$3bn "for quite a long period". A current account surplus of \$1bn had to be achieved by the mid-1990s to preserve Hungary's creditworthiness.

In common with other East European countries, Hungary's trade with the Soviet Union, its largest trading partner, has become increasingly difficult.

Falling prices for Soviet oil and gas led to an accumulated Hungarian surplus in trade with the Soviet Union of more than Roubles 1bn (\$17bn).

In Comecon's rigid barter-type trade, however, the surplus could not be used to buy goods anywhere else and thus amounted to a credit. Soviet-Hungarian trade fell last year and was estimated to drop nearly 10 per cent this year.

Czechoslovakia too, is having growing problems in trade with the Soviet Union, with which it is running an undesirable surplus.

At talks in Moscow last month with Mr Ladislav Adamec, the Czechoslovak Prime Minister, the Soviet side expressed the wish for greater deliveries of consumer goods in the next Five Year Plan. But Czechoslovakia has problems satisfying its own demand for consumer goods, Mr Miroslav Pavel, the government spokesman, noted last week.

Meanwhile, East German trade with West Germany, which makes it the envy of other Comecon countries, fell last year for the third year in succession to DM14.2bn (\$4.4bn). Lower oil prices contributed to the drop as well as East Germany's inability to sell higher value products in West Germany.

Venezuela plant contract signed

THE Venezuelan petrochemical company, Petiven, has signed a \$241m (£138m) deal with a West German-Venezuelan consortium for a petrochemical plant, Joe Mann reports from Caracas.

The German companies are Linde, Ferrostaal and DSD-GIG. The Venezuelan companies are Marshall y Asociados and Proyecta.

Factoring business up 15%

THE volume of worldwide factoring business rose by 15 per cent to \$100bn (\$91bn) in 1988, according to Factors Global International (FGI), a main international factoring network, Charles Batchelor reports.

Factors buy unpaid invoices of their clients for up to 80 per cent of their value immediately with the remaining 20 per cent

payable when the client's customer finally settles. The client has immediate access to most of its cash, while the factor charges for the service.

Of the total volume, \$161.5bn related to domestic business while \$83.9bn related to international trade. Domestic factoring grew 16 per cent in 1988. International factoring rose 2 per cent.

Turkey fires up defence industry

Jim Bodgener reports on a growing area of arms spending

TURKEY'S ambitious programme to establish its own defence manufacturing industry is bucking the trend of general public sector cutbacks. The Defence Industry Development Administration (Dida) hopes to award deals totalling more than \$2bn this year.

These may go some way towards mollifying the Turkish military, smarting dangerously after its budgetary procurement allocation for 1989 was cut by up to TL400bn (\$210m) in an 8 per cent across the board reduction in public sector spending announced recently by Mr Turgut Ozal, the Prime Minister.

Dida is a special development fund outside the budget and thus escaped the cuts. But none the less, say industry sources, Dida's income from special levies has not matched original expectations.

The latest agreement was with Marconi Communications Systems for a \$90m scheme for the local manufacture of high tech battlefield wireless systems, ending a series of disappointments for UK companies in Dida awards last year.

FMC Corporation of the US and Turkish company Nurol beat GKN to a \$1bn contract for armoured personnel carriers. Then British Aerospace (BAE) failed to meet technical specifications for a contract valued at between \$1bn and \$2bn for the manufacture in Turkey of a low-level air defence system.

The UK companies could still get back in the running. Funding negotiations with the FMC/Nurol group have hit a



The F-16 fighters are already being made in Turkey

snag over Turkish Treasury disapproval of the interest service - \$80m of commercial financing. Dida is getting impatient - the contract supposedly became effective on January 31. However, banking sources say the Treasury may be using delaying tactics in the interests of the Government's overall austerity programme.

The low level air defence project may be delayed until next year, possibly giving British Aerospace the opportunity to return to the bidding. Both projects were expected to be included in talks in Ankara yesterday between Mr Erkan Vuralhan, the Turkish Defence Minister, and Sir Colin Chandler, under secretary at the UK Defence Ministry.

However, the Turkish Government would also require the most concessionary terms possible for the Marconi deal, more so than usual through the Export Credits Guarantee Department, according to Mr Vahit Erdem, Dida's head. As with all Dida's projects, the financing will include a substantial offset element providing for investment by UK compa-

nies in Turkey.

Through a radio joint venture - for which it has yet to announce a Turkish partner - Marconi would have an entrance to the Turkish defence market generally, said Mr Erdem. In time, with the Turkish and UK government sanction, the joint venture would be able to export to Middle East countries, starting with Saudi Arabia and Kuwait, for example, but with an eye to Iraq and Iran in the long term.

Although exports from Dida's projects will be mainly to non-members of the North Atlantic Treaty Organisation, the Turkish Government also wants to redress the balance of the one way traffic of weapons supplies to Turkey by other Nato members, according to Mr Erdem.

The next project in line is for mobile radar, valued at about \$300-400m, and near final tender evaluation.

The second is Marconi and Plessey, both of the UK, France's Thomson-CSF, Hughes Corporation, General Electric and Westinghouse Electric Corporation, all of the

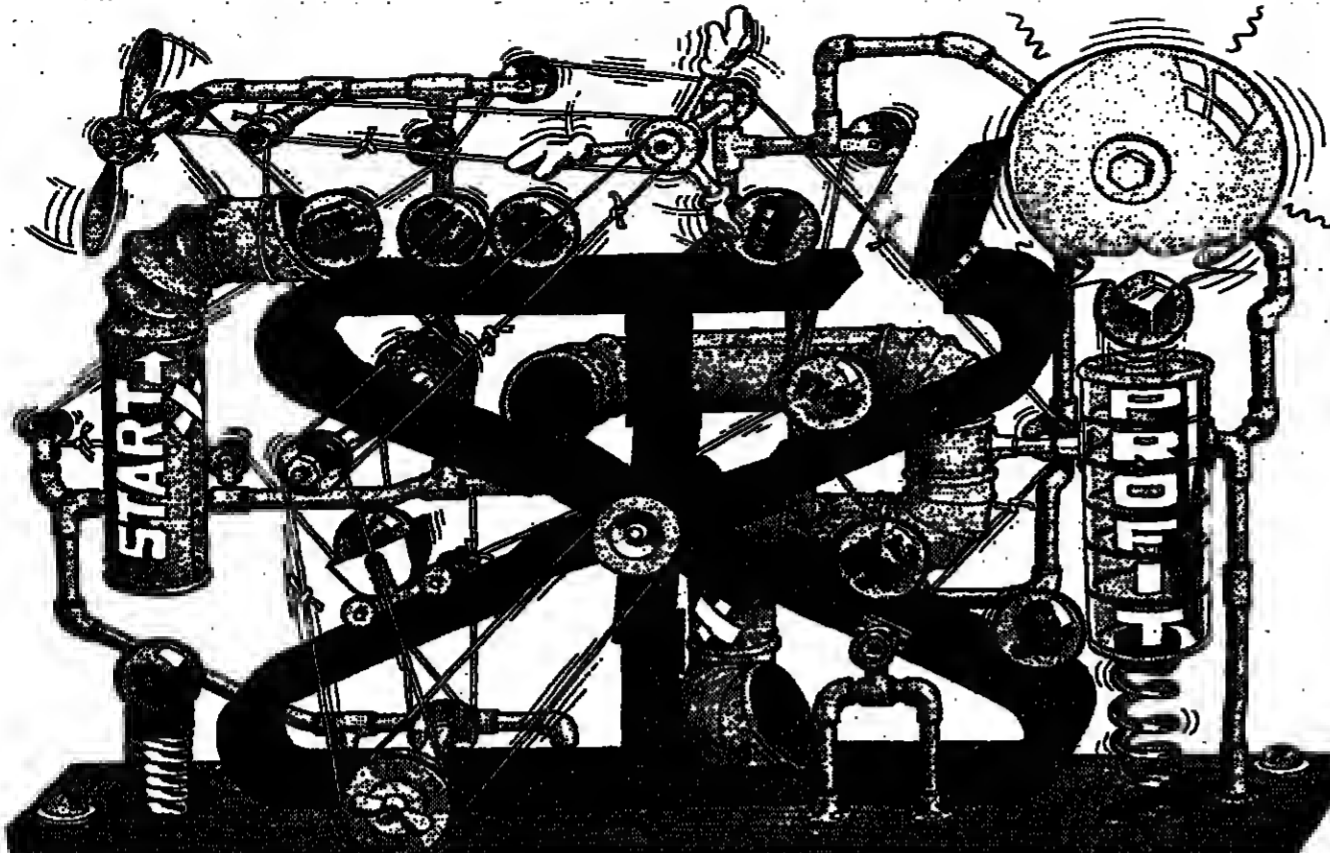
US, Aydin/Boeing, a US/Italian venture, and Italy's Selenia. French and US companies have lost their early lead since they withdrew.

Another deal likely this year is for light transport aircraft, around 50 each for the defence and civilian sectors, and together worth \$300-500m. The civilian aircraft would be for feeder routes to main airports. Companies bidding are Orbitalis, Spain's CASA, SAC North of the US, and Canada's De Havilland.

A fairly urgent \$600m project is for about 60 radar and fire control systems for a production line including 30mm Oerlikon anti-aircraft guns soon to be commissioned by state-owned Machinery Chemical Works (MKEK) at Cankiri. The tender brief has just been issued to three bidders: Babcock (UK), Signal (Netherlands) and Contraves (Switzerland).

Another which will take longer is the local manufacture of helicopters. Tenders were first invited last year, but Dida now wants to review its concept of the most suitable type for local manufacture. Others will be ordered from overseas, either through offset agreements, or direct credit deals.

Two other big projects are on the stocks. One is a \$550m deal with the US Loral Electronics Corporation for an electronic system for the F-16 fighters already being made in Turkey. Feasibility studies are continuing, meanwhile, for a deal valued at up to \$1.5bn for the local manufacture by a LTV Aerospace and Enka joint venture of multi-launch rocket systems.

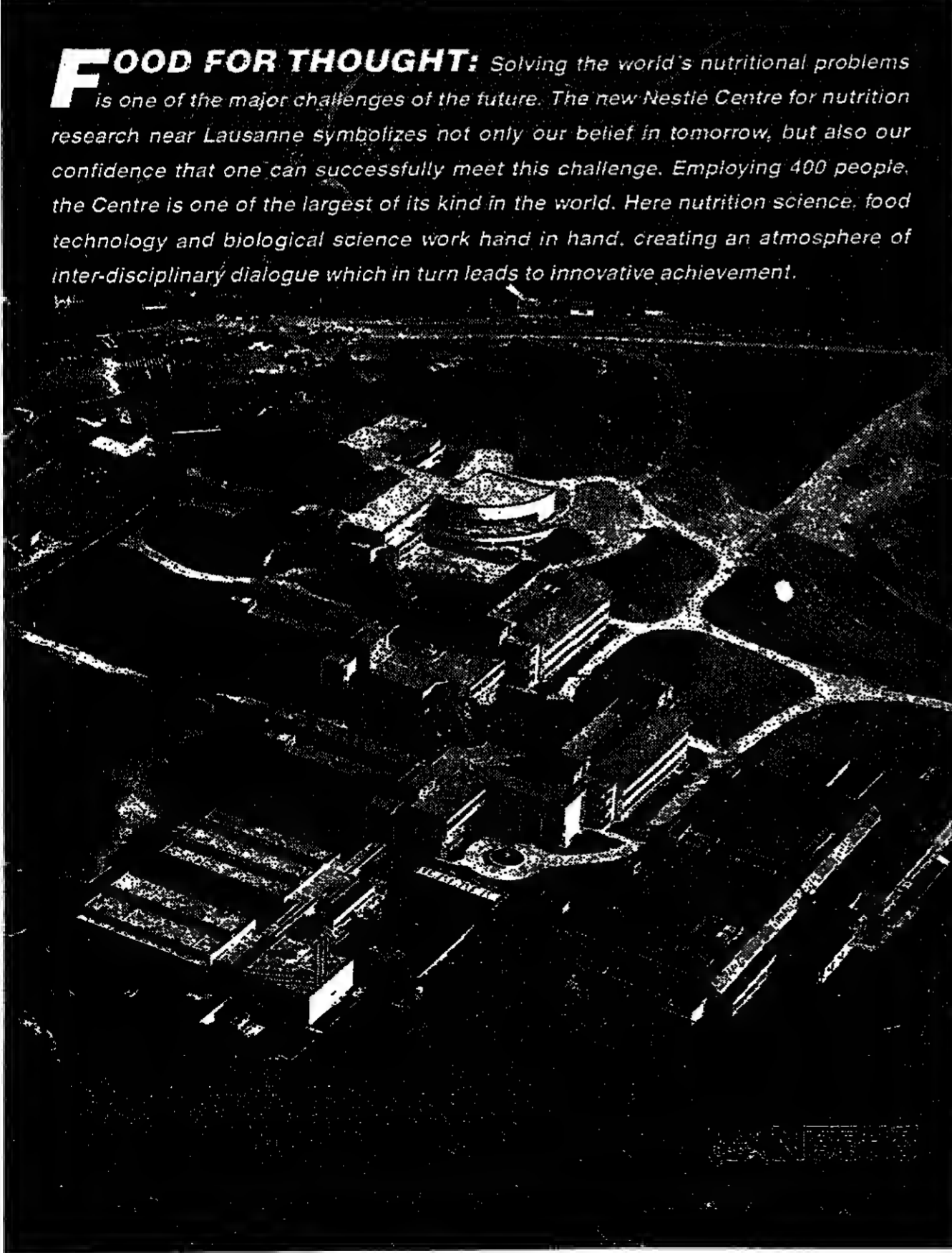


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Handling of egg row attacked by MPs' committee

By Bridget Bloom, Agriculture Correspondent

THE Government's handling of the crisis over the safety of eggs, which erupted last year and developed into a major political storm, was yesterday roundly criticised by House of Commons select committee.

The all-party committee on agriculture criticised the Government in its report published yesterday for not acting more quickly to warn consumers of the possible dangers of eating eggs infected with a new strain of salmonella.

It blames the Government as a whole for failing to correct the situation on December 3 by Mrs Edwina Currie, then junior Health Minister, that most British egg production was infected with salmonella. The committee specifically criticises the Government's failure to act more quickly to correct the situation by failing to correct the junior minister's remarks.

The 30-page report, the result of a month-long inquiry during which the committee heard conflicting evidence from ministers, officials, farmers and consumers representatives, also criticises the "highly fragmented" egg industry.

The Government is criticised for allowing more than a year to elapse between the recognition of an emerging problem in November 1987 to the publication of codes of practice for the industry a year later it says. But the industry was consulted about the problem in June last year and its reluctance then to act "was indicative of a determinedly head-in-the-sand attitude" the report says.

That part of the report was criticised yesterday by Mr John Coles, chairman of the British Egg Industry Council. However, he welcomed the committee's findings that normal healthy people should feel no cause for concern about eating eggs.

Although highly critical of the Government's political handling of the affair, in the

main body of its report, the committee steers carefully between the extremes of evidence it received on the extent, causes and necessary remedies for infections from salmonella to eggs.

Mr Clarke yesterday completely rejected the committee's criticism of his handling of the situation immediately following Mrs Currie's resignation. He admitted, however, that he and Mr John MacGregor, the Agriculture Minister, would be looking carefully at the "serious bits of this otherwise well considered report and would respond formally to it in due course.

The committee said Mrs Currie's statement should have been retracted but the fact that it was not was a failure of the Government and not just of a single minister. The main body of the report is rather more balanced than his comment on the political handling of the crisis would suggest.

It comes to broadly similar conclusions to those reached by government officials. The committee believes that normally healthy people need have no cause for concern about eating eggs. But it also catalogues the virtual impossibility of establishing the extent or causes of infection to eggs or the remedies.

It notes that while Mrs Currie was wrong to say most egg production was infected, and while some cases might be wrongly attributed to eggs "the Government was right to make egg production the first focus of its attention" as it looked for the source of the increase in food poisoning.

But it "entirely endorses" the principle that "consumers should not be expected to shoulder responsibilities for preventing food poisoning which properly lie with food producers." The Government's goal should be to give eggs a clean bill of health.

Salmonella in Eggs Agriculture Committee First report 1988-89. HMSO £4.70

Shell set to proceed on Gannet

By Steven Butler

SHELL Exploration and Production yesterday signalled its intention to proceed with the £700m development of the Gannet complex of four oil fields in the central North Sea, 180km east of Aberdeen.

Shell said yesterday it had invited tenders for contracts worth more than £200m for four major items of equipment: power generation, cranes, pumps, and bulk steel for pipeline construction.

The project, a joint venture between Shell and Exxon which must still gain final approval from both company's boards and the Department of Energy, would provide more than 2,000 jobs in design, fabrication, hook-up and commissioning during the next three years. Production is expected

to begin in 1992. Shell had proposed to develop Gannet in 1984, but shelved the project when oil prices collapsed in 1986. In the interim, Shell said the cost of the project had been cut substantially.

Costs in the North Sea oil industry have fallen sharply in recent years, both because of improvements in management and new technology. The reduction in costs, combined with a high rate of success recently in oil exploration, has brought Britain's oil services industry rapidly out of the deep slump caused in 1986, as a number of fabrication yards were forced out of business.

The four fields are estimated to hold 170m barrels of recoverable oil and condensate, a light hydrocarbon, and 700m cubic feet of gas.

The proposed project would have a central processing unit linked to three subsea developments. Oil would be exported through the Fulmar floating storage system, and gas through the pipeline from the Fulmar platform to St Fergus.

Invitations for detailed design tenders for the jacket and topsides are to be issued shortly, while construction contracts are to be awarded in the third quarter of the year.

The central platform will stand in 312 feet of water, and weigh 8,000 tonnes. The topsides will weigh 9,500 tonnes, and is to be fully commissioned onshore.

Bombardier bids for Short Brothers

By Lynton McLain

BOMBARDIER, the Canadian company that makes the Challenger business jet, said in Montreal yesterday that it had made a bid to buy Short Brothers, the Belfast aerospace company the Government wants to privatise.

The companies are each developing small, twin-engine, short-range regional airliners able to carry about 50 passengers.

The Shorts proposal for its 2500m FJK project depends upon government aid and international partners before the company will launch the

aircraft on world markets. Bombardier is developing its New Regional Airliner, aimed at the same market as the Shorts FJK.

It is unlikely that both projects would proceed if Bombardier was successful in buying Short Brothers.

By pooling their resources on the design of the world's first small, 50-passenger, twin-jet airliner, the companies could have a commanding lead in world markets for a type of airliner that is likely to be in high demand in the 1990s, as European deregulation takes

off with the single European market in 1992.

The Canadian Challenger business jet is the main product of Bombardier, the aerospace subsidiary of Bombardier.

The Canadian group does not make guided missiles, unlike Short Brothers, and its involvement in military aircraft is restricted to military versions of its Challenger business jet.

Shorts makes military freighter aircraft and the Tucano trainer for the Royal Air Force.

Minister preparing legislation to permit privately-run prisons

By Alan Pike, Social Affairs Correspondent

LEGISLATION to enable privately-operated remand prisons to be established in Britain by 1992 is being prepared by the Government.

Mr Douglas Hurd, Home Secretary, said yesterday that the laws will be introduced provided he is satisfied with the results of detailed investigations of potential private contractors and their costs.

A report commissioned by the Home Office from Deloitte, Haskins and Sells, management consultants, yesterday concluded that private sector involvement in the remand prison system should improve conditions for prisoners and cut costs. The report said it would be possible to "set up adequate safeguards to respond to the legitimate public concerns that have been expressed about such involvement."

Mr Hurd, in a carefully worded statement, stopped short of giving the complete go-ahead for privately managed remand centres at this stage. His announcement was, however, another step in a process which is almost certain to lead to private remand prisons.

The Home Secretary said there were "positive indications" in the consultants' study which needed further detailed investigation. "No potential contractor should enter this

field believing it will be an easy option. Standards would be high and would be rigorously enforced."

Mr Hurd said the Government also intends - again subject to a final decision later - to allow private sector organisations to escort prisoners between prisons and the courts. This would release police and prison officers for other tasks.

Private sector involvement in the prison service is opposed by a wide-ranging coalition including penal reform organisations, the Prison Officers' Association and the National Association of Probation Officers. Mr Roy Hattersley, Labour Party home affairs spokesman, told Mr Hurd yesterday the idea would "damage the prison service and the reputation of equal measures."

Private sector organisations, at first, would be allowed to run only new remand centres. Mr Hurd said his accountability for the treatment of prisoners and the safety of the public would be maintained in privately run institutions. All private remand centres would be subject to permanent on-site monitoring by a government official.

Much of the worst of Britain's serious prison overcrowding problem is in remand prisons.

Wing and a prayer as Concorde takes off

Michael Donne recalls the prototype's maiden flight on a misty Sunday in Toulouse

THE MIST hung heavily over the airfield at Toulouse in France just 20 years ago, on the morning of Sunday, March 2 1969. The dour weather was intensely frustrating for the several hundred journalists gathered for the maiden flight of the prototype Concorde, known simply as 001, the world's first supersonic airliner.

It had been the same day before, with the edict of "No flight today" being issued early. So we had to kill time, and to keep us quiet Sud-Aviation, which became Aerospatiale a year later, and the British Aircraft Corporation - now part of British Aerospace - held a press tour of Toulouse, which most of us knew well already, and then took us to see the ancient city of Carcassonne in the afternoon.

There was no real worry for myself, Arthur Reed of The Times and Air Commodore Teddy Donaldson of the Daily Telegraph, a trio known in those days as "The Three Musketeers" of the Air Correspondents' Corps. We had no work to do that Saturday. But for the Sunday journalists, it was infuriating.

Concorde 001 was hidden by the mist hanging over the Sud-Aviation complex on the other side of the airfield from the Terminal Building, under heavy guard.

After extensive ground testing since the roll-out over 14 months earlier, André Turcat, the burly chief test pilot of Sud-Aviation, who later became Mayor of Toulouse, was satisfied, and ready to fly as soon as the weather improved.

We all knew the aircraft and had lived with its development since its began at the Anglo-French pact of November 29 1962. We had made many visits to Toulouse and Bristol, where the second prototype, 002, was being built.

It flew a few weeks after 001, to see both aircraft take shape.

We had stood with Anthony

Wedgwood-Benn, UK Minister of Technology in the Labour Government, in the biting cold at the roll-out of 001 on December 21 1967, to hear him decree, to please the French, that the British should henceforth spell Concorde the French way, with an "e", because, he declared: "E stands for Excellence, for England, for Europe and the Entente Cordiale."

Millions of words had by then been written about the venture. The manufacturers were anxious to counter the mounting opposition from the anti-noise and anti-cost lobbyists, both critically vociferous about what they regarded as an expensive and unnecessary menace to mankind.

I regarded it as a brilliant example of advanced aeronautical engineering that promised to revolutionise long-distance air travel. Subsequently, despite all that others have said, I have never wavered from that view, having flown in Concorde many times. It is my favourite aeroplane by a long way.

Early on the Sunday morning, we were taken to the airfield in buses. We were told strict control would be exercised over the press. They would all be taken to a farm, well down the runway, where food and drink would be provided, with telephones, and a good view of the action, and there they would stay all day.

I was appalled and rebelled, deciding quietly to do things my own way. Teddy Donaldson opted to stay with me, but Arthur Reed went with the crowd to the farm. I had arranged a couple of Sud-Aviation Concorde passes, which Teddy and I substituted for our press badges, thereby ensuring that we could remain in the terminal building all day without hindrance with a bar, restaurant, telephones and warmth.

There was little to do but eat, drink and wait, apart from routine calls to the office to report the situation.

When the mist thickened around mid-morning, we began

to despair of any flight that day, but were assured by Sir George Edwards, chairman of BAC and known as "uncle" to his employees, that André Turcat would fly the delta-wing plane if it was at all possible. Covering maiden flights has always been an uncertain business. There is never any guarantee that they will go as planned, and I have spent many days on cold and windy airfields, waiting for new aeroplanes to perform, usually late.

After lunch, the weather began to improve, with a cold, east wind getting up to disperse the mist. We learned that 001 had been brought out of

the hangar, Turcat was aboard with his crew, and carrying out pre-flight checks.

There were signs everywhere of mounting excitement, with a lot of officials rushing about uselessly. By early afternoon, some washed-out sunshine appeared, and we could see the far side of the airfield at last. The tension rose further when we heard the engines start, and 001 began to move slowly forward.

By now, the terminal was packed, and we braved the cold on the balcony. Half the population of Toulouse, we later learned, had jammed the roads around the airfield to see what

was for many of them just as much a climax as it was for us. The moment when any new aeroplane flies for the first time is always emotional, and with Concorde probably more so than with any other aircraft, for to us it was unique, a major breakthrough in technology but surrounded by unrelenting controversy and naked hostility, a lonely pace-setter in a new era of commercial aviation.

Turcat applied full power, and the long, sleek white-painted aircraft thundered forward. As it passed us, gathering speed, its "droop-snoot" noise in the

receded by its mounting exhaust planes and TV aircraft. It seemed an age before it returned to make a smooth, and impressively quiet landing, standing up on its tail just before touchdown in that characteristic "praying man's" position that has become so familiar. It had been airborne for some 27 minutes.

Our decision to stay in the terminal paid off. André Turcat brought the aircraft back to the very front of the building. He came down the steps to a torrent of cheering and applause, and was almost carried into the terminal, surrounded by dignitaries. He jumped up on to a large table, and waving his arms wide he cried: "And so, at last, the Bird flies, and as you can see, it flies very well."

The cheering grew tumultuous. It was enough, I pushed through the crush to get a few words - "It was as perfect as we had expected," he told me, and then he was swept away. Deadlines were looming. We took a taxi back to the hotel, and began phoning. By the time we had finished, it was early evening, and the journalists gathered in the bar to talk it all over. The gang from the farm struggled back, envious of our tales. The farm, they declared, had been a flop, with lousy food and wine, too few telephones, everybody too officious, and only a brief view of the action.

Back at London's Heathrow Airport, we piled into Teddy's E-Type for a fast drive into London, 19 minutes by my reckoning, with traffic parting ahead of us as Teddy's finger used the horn as firmly as he used the gun-button in his Hurricane in the Battle of Britain.

Back in the office, the news editor was cool. "I expected you earlier," he said. He thrust some tape at me bearing a mundane story. "Watch out a couple of hundred words on that before lunch for an early page." The euphoria faded, and one of the world's greatest aviation occasions was over.



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Notice to the Warrant Holders of
Keihin Electric Express Railway Co., Ltd.
 Warrants for subscription of shares of common stock of the Company issued in connection with U.S.\$150,000,000 2 per cent. Guaranteed Notes 1992

Pursuant to Clause 4 of the Instrument and Condition 11 of the Terms and Conditions of the Warrants, we hereby notify as follows:

- The Board of Directors authorized on 22nd February, 1989 to effect a free distribution of shares at the rate of 0.05 share per one share held as of 31st March, 1989 at 5:30 P.M. Japan Time (the record date).
- Accordingly, the Subscription Price will be adjusted pursuant to Clause 3 of the Instrument and Condition 7 of the Terms and Conditions of the Warrants effective as from 1st April, 1989, Japan Time.

(1) Subscription Price before adjustment: Yen 1,302
 (2) Subscription Price after adjustment: Yen 1,240

Keihin Electric Express Railway Co., Ltd.
 2nd March, 1989
 20-20, Takasawa 2-chome, Minato-ku, Tokyo, Japan

YOUR OFFICES SHOW OFFICES?

Our clients are major international manufacturers of office furniture enjoying an excellent reputation in UK market for quality of product and service. They are seeking, an organisation who, perhaps, now or in the near future intend purchasing office furniture for minimally 50 people (plus possibly conference and reception areas).

The intention being that our clients will design, space-plan and furnish the interior at low cost to the organisation we are seeking.

The resulting installation would be used as a reference installation whereby prospective customers would view our clients' furniture in a working situation (such visits would be intermittent - perhaps 6 times per year)

In return our client would without cost maintain the installation to the highest standards regularly placing for evaluation new furniture items as they are introduced.

Ring: Barnett & Co
 Financial Consultants
 01 660 4683

Hearts of Oak Benefit Society
Appointment of Treasurer Elect

The current Treasurer of the Society retires in June, 1990. It is desired to appoint a successor in June, 1989. Professionally qualified candidates of 21 years of age or over should submit their personal details and C.V. to the Chairman of the Board of Directors of the Society by the 31st March, 1989.

The Board of Directors will select a short list of candidates who will be required to appear before the Annual Meeting of the Society in June, 1989. This annual meeting, attended by the Society Delegates, is the venue where the final appointment will be made.

Terms and conditions of employment will be explained at any interview granted, but candidates may expect a basic salary of c.£26,000 per annum to commence. In addition, there is a contributory final salary pension scheme and low cost mortgage facilities. A Society car will be supplied with running expenses reimbursed by the Society. The ultimate appointment as Treasurer of the Society will rank as the second Official of the Society.

This advertisement will be made available to both internal and external candidates.

Written applications only to:
 Chairman, Board of Directors, Hearts of Oak Benefit Society,
 84, Kingsway, London WC2B 6NR.

Nothing envelope in top left hand corner "PERSONAL/TREASURER ELECT."

A MEMBER OF **Laure**

Handwritten signature or mark at the bottom center of the page.

MANAGEMENT: Marketing and Advertising

Exporting to Japan

Tobacco makers pierce the smokescreen

Stefan Wagstyl reports on foreign cigarettes' share of the market

Western success in the Japanese consumer market is almost as rare as a sashimi (raw fish) sandwich. Apart from Coca-Cola in soft drinks, Nescafé in coffee, and McDonald's in hamburgers, there are few everyday US or European brands which have become household names in Japan. Most of the best-known foreign brands in Japan are luxury labels - BMW, Burberry, or Louis Vuitton. However, in the past two years, Western cigarette makers have added their names to the list. Since duties on imports were lifted nearly two years ago, foreign cigarette makers have trebled their market share in Japan to nearly 12 per cent of a market worth ¥33 trillion a year (£13.6bn).

The cigarette market was perhaps uniquely vulnerable to penetration, because the sole domestic competitor is Japan Tobacco, a former state monopoly with little experience of fighting marketing battles.

Also, the foreign companies' attack coincided with an explosion of interest in Japan in imports of all kinds. Joel Silverstein, general manager of Brown & Williamson (Japan), a leading importer, says: "This isn't the same country that it was five years ago. There's been a fundamental change in the consumer's buying patterns. He's loyal, but he's becoming experimentalist."

But the cigarette importers themselves deserve credit for prising open their market - first by co-ordinating US government support to force Japan to abolish punitive high tariff barriers; then securing sales and distribution agreements, and, finally, relentlessly promoting their brands. Five importers - Philip Morris, RJR Nabisco, and American Brands of US, Brown & Williamson, a US subsidiary of the UK group BAT Industries, and Rothmans, the British tobacco company - spent an estimated \$250m on advertising last year. This year it could be \$300m.

"You struggle and persevere. You go for government support when you need it. Then you put your money where your mouth is," says Silverstein. For

the cigarette makers the struggle began in earnest in the early 1980s when rising Japanese trade surpluses with the West forced the Japanese Government to remove many of the ring fences surrounding domestic markets.

The tobacco companies successfully persuaded the US Administration to single out the Japanese cigarette market in its attack on Japanese trade practices. Under intense pressure, the Japanese Government agreed to break the monopoly of Japan Tobacco in a series of deregulatory moves which culminated in April 1987 in the abolition of a discriminatory 15 per cent excise duty on foreign cigarettes.

A key element of the deal was a requirement for Japan Tobacco to allow the importers fair access to its nationwide distribution system. Japan Tobacco had already been distributing foreign cigarettes but the importers claim they were over-charged and treated unfairly.

Following the agreement with the US, everything changed. One of the importers' greatest obstacles was transformed into a tremendous springboard for sales growth. Frank Rosa, president of Philip Morris, says: "We could not have built a distribution system like this ourselves. It suits us and it suits Japan Tobacco."

Japan Tobacco puts a brave face on the enforced deal. It says that in a free market it could never have hoped to retain its 85-per-cent-plus market share once the market was opened. The distribution agreement allows it to take a share of the importers' profits.

Well before the end of import duties, the foreign companies signed deals with Japan's big trading houses, under which the traders agreed to handle nationwide sales, each assigning several hundred staff to work exclusively for the importer. Some 800 salesmen at Mitsui and Nissho Iwai handle sales for Philip Morris, for example.

Philip Morris, Brown & Williamson (B&W) and RJR Nabisco, all with well-established Japanese offices, felt

confident enough to take on the full cost and risk of marketing themselves. Their Japanese partners work on a commission basis. Rothmans, the UK tobacco company, arrived only in 1986 so it decided on a 70:30 joint venture in its favour with its Japanese partner, Maruiben.

With their battalions in place, the importers planned their campaigns. All tailored their cigarettes precisely to the market - using mild-tasting tobacco and, in most cases, fitting charcoal filters, which Japanese smokers like.

The foreign companies carried out meticulous market research - employing local companies to interpret the results so as not to impose Western preconceptions on Japanese data. Marketing placed heavy emphasis on brand promotion - on television, billboards and newspapers and magazines.

Price was a key weapon. B&W moved first, a month before duties were abolished, by reducing the price of Kent, its top brand, from ¥280 (£1.27) to ¥220 (£1) for a pack of 20. Silverstein says this shook the market. Japan Tobacco had then priced at ¥280 and above, to come down by only ¥30 - the amount of the duty - not by ¥60.

B&W's move signalled that the cigarette companies were not only selling luxury goods but were ready to compete head-on in the mass market.

B&W felt it had to sell at ¥230 a pack since this is the biggest segment of the market, accounting for 65-70 per cent of the total. One brand alone, Japan Tobacco's Mild Seven, has a 45 per cent share. Kent's 1.71 per cent looks very modest by comparison, but it is enough to be the mainstay of B&W's sales.

Meanwhile, Philip Morris, the number one importer, reserved its biggest efforts for promoting Lark, the top-selling imported cigarette, which has doubled its market share to over 4 per cent since April 1987. Selling at ¥250-¥280, according to cigarette type, Lark's margins are fat.

Philip Morris, Brown & Williamson (B&W) and RJR Nabisco, all with well-established Japanese offices, felt

have it all their own way. For example, Rothmans, the late-comer to Japan, has found it hard going concentrating entirely on the luxury end of the market. Peter Murphy, president of Rothmans-Marubeni, says the company will have to be more flexible, perhaps by putting more effort into the mid-price range.

RJR Nabisco, meanwhile, was hit by reports from the US that some of its cigarettes contained unacceptably high levels of insecticide.

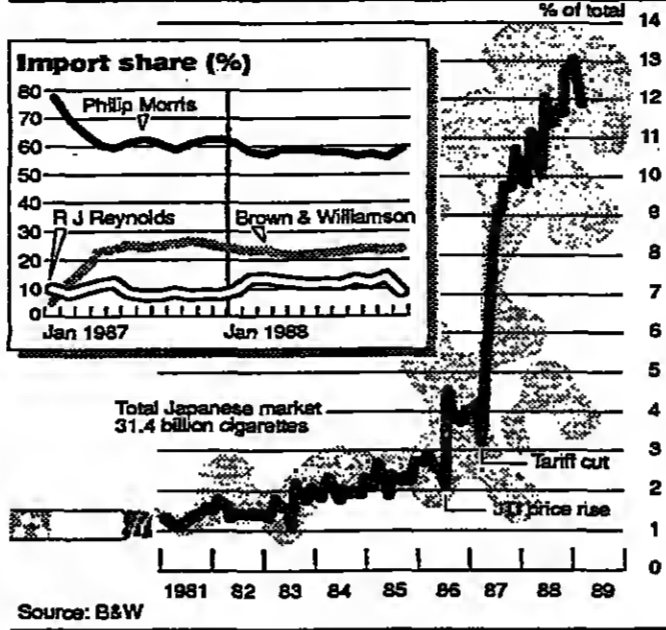
The importing companies also got embroiled in an expensive and inconclusive price war last year over cigarettes priced at ¥200; they launched ¥200 brands in a deliberate attempt to outflank Japan Tobacco. But the plan failed when Japan Tobacco hit back by heavily promoting its own ¥200 cigarettes.

Kazuo Ohata, a special adviser in the market planning department of Japan Tobacco, says the foreign companies were hurt most in the battle. "By launching cheap cigarettes, they broke the image that foreign cigarettes have to be expensive."

In any case, Ohata claims: "The Japanese don't buy cheap cigarettes. Everyone buys the same." This preference for uniformity explains why nearly half of all Japanese smokers choose Mild Seven.

This ingrained conservatism is slowly being eroded by the foreign companies. One problem has been to change the view that foreign cigarettes were reserved for special occasions.

Cigarette imports in Japan



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A frisky policewoman makes an arresting ad

Alice Rawsthorn examines the latest bout in the UK jeans war

Soft snobline seeps through one of Lee Angeles' seedier back streets. A policewoman steers her Harley Davidson motorbike behind a young man in blue jeans. She tells him to stop, orders him to spread against a fence, and frisks him for a long, long time.

The back street and the frisk are all part of the new TV and cinema commercial for Wrangler jeans. When the commercial, by BBDO, was unveiled this week, it fired the latest shots in the increasingly bitter battle for the \$322m UK jeans market.

A successful advertising campaign is critical for Wrangler, which has seen its share of jeans sales drop sharply in recent years. Wrangler has flourished in an increasingly fashion-conscious market and has been burdened by the financial problems of its US parent, which was recently taken over by the VF Corporation, the owner of Wrangler's rival, Lee.

Wrangler has responded by poaching executives from Lee Strauss: its arch enemy, and investing more money than ever before - about \$2m - in advertising.

Yet Wrangler's campaign is only one of a crescendo of jeans commercials to hit the television and cinema screens this spring. Levi is investing over \$1m in a campaign by Bartle Bogle Hegarty. Lee is ploughing £1.5m into a new version of its "Rough Rider" commercial, created by Yellowhammer. Pepe will spend up to \$1m on its advertising through Publicis.

The jeans market has been one of the most volatile areas of fashion in the 1980s. When the decade began the market was in the doldrums. Jeans sales had soared in the 1960s and 1970s, but to the teenagers of the early 1980s, blue denim looked like a legacy of their parents' youth rather than an emblem of their own adolescence.

The market declined, not only in the UK but in almost every other major market. Levi and Wrangler, the US jeans giants, were forced to resort to grilling cuts and closures. The US market is now recovering. Lee Cooper of the UK and Lois of Spain - followed suit.

But, four years ago, Levi

Wrangler unveils its latest campaign this week

decided to relaunch its traditional fly button 501 jeans in Europe. The relaunch was heralded by a cinema commercial in which a young man stripped down to his boxer shorts in a laundrette to the strains of Marvin Gaye's music.

Suddenly jeans were fashionable again. Sales revived, but the character of the market had changed. Traditionally jeans had been standardised products with few changes in style. Since the mid-1980s the market has become far more fashionable.

As a result the "established" manufacturers, Levi apart, have tended to perform poorly. Levi has gained share; Lee has remained static, but both Wrangler and Lee Cooper have lost momentum in the 1980s.

The new force in the industry is Pepe, which began in business as a stall in a London street market in the 1970s and is now the second player after Levi with about 9 per cent of UK jeans sales.

Pepe is the model of a modern clothing company. It imposes tight control over design and distribution, but subcontract production, thereby keeping fixed costs to a minimum. Denim jeans provide the bulk - about two thirds - of its business, but it is involved in other areas of leisurewear to adapt to fluctuations in consumer demand. Pepe has also invested heavily in *outré* advertising - like its new campaign featuring the

artist Leigh Bowery - to appeal to teenage consumers.

Wrangler and Lee Cooper are being restructured along similar lines. Wrangler has cut costs by closing production plants and switching to licenses in many of its international markets, although not the UK. Lee Cooper, which is owned by Vivat Holdings, is in the final throes of withdrawal from manufacturing in Europe in favour of sourcing from subcontractors in other countries.

As the lavish spring campaigns suggest, Wrangler and Lee are following Levi and Pepe by increasing their investment in advertising. The current crop of campaigns follows different themes but they have one thing in common: all are directed at fickle adolescents - the chief consumers of jeans.

But the US jeans industry is pursuing a different route. The US companies are concerned by the demographic trend which will ensure that the teenage population contracts, while the over-25 age group expands in the 1990s.

Levi has become so concerned that last autumn in the US it introduced its first campaign aimed specifically at the over-25s. It still blasts out its "501 blues" commercials for teenagers. But Levi has also introduced a new style of jeans, the 505s, which are "tougher" cut for those who find squeezing into their 501s just a little too uncomfortable.

TECHNOLOGY

The scene is all too familiar. The proud owners of a newly purchased washing machine await its arrival. The package arrives from the warehouse - late, of course - is unpacked and the machine found to be dented or faulty. The customers return the product, fearing that the replacement will arrive in much the same state.

Delivering a dent to the bottom line

Paul Abrahams finds that packaging techniques often fail to protect the high-tech product

The scenario is played out every day. One leading London department store estimates that 11 per cent of the white goods it delivers arrive at the customer faulty or damaged. Manufacturers claim that the UK figures are between two and six per cent, most of the damage is inflicted after the machines have left the factory.

Whatever the true figure, the cost of damage during transit to white goods such as washing machines, tumble dryers, cookers and refrigerators is considerable. The effect - and it is all too familiar in many industrial sectors - is to negate the effort to achieve total quality management.

"If you estimate that six per cent of products coming off a production line each year are damaged when they arrive at the customer, you can see that it takes a nasty chunk off the bottom line," says Ben Parsons, consultancy manager of distribution and packaging at Pira, the Leatherhead based technical centre for the paper and board, printing and packaging industries.

The drive towards protecting products has arisen from the need to protect profit margins, says Kenneth Cox, sales and marketing manager at Lec Refrigeration, the Bognor Regis-based fridge maker.

"Ten years ago, manufacturers never really worried about protecting products during transit," admits Cox. "But now that margins have tightened across the industry, you just can't afford to absorb the extra costs generated by damaged machines."

"What managers seem unable to grasp is that the true cost of faulty goods is much higher than the simple write-off value," explains Parsons at Pira. "It not only antagonises the supplier and customer, but also complicates paperwork, adds cost for transport to take the product back and redeliver the replacement, and increases the need for inventory."

Parsons says the objective of total quality management should not be that the product rolls out of the factory with zero defects, but that the item arrives at the customer's home in perfect condition.

Faults and damage to white goods mainly occur after they have left the factory. Indeed, the Italian home appliance manufacturer, estimates that 85 per cent of damage occurs during distribution.

One reason for goods failing to arrive in working order is that the packaging is unsuitable or insufficient for the rigours of transit, says Parsons. Modern techniques are needed if the increasingly high technology content of the product is to be protected.

The first step towards achieving adequate packaging, he says, is to test the machine to identify intrinsically weak points. To do this, Pira's scientists quite simply drop the machine at measured G forces on a test-bed, supplied by the Lansmont Corporation in California, until it breaks. The components that have failed are then pointed out to the manufacturer's engineers.

Parsons says that it is often necessary to make modifications to the design of the machine to increase its capacity to withstand impact. Some common mistakes include failing to secure circuit boards effectively and not using locking washers to keep screws in place.

Pira then tests the modified machine for its ability to withstand the sort of vibration that it will meet during its voyage from factory to consumer. To do this a test machine is mounted as it goes on the actual series of journeys entailed. Accelerometers attached to vulnerable points on the machine measure their movement and feed the information to an oscilloscope, which displays it. The data is stored in the memory of a multi-channel recorder. A scientist accompanies the machine to make on-the-spot observations.

Descriptions from both monitoring equipment and scientists are analysed to isolate the most stressful features of the

SAME DAY DELIVERY
NEXT DAY REPLACEMENT

to simulate transportation and storage to ensure that its machines arrive safely in the home.

Analysts say that this commitment to quality at Hotpoint has paid dividends. They point out that the company has managed to increase its market share from 25 per cent to 40 per cent in the past five years while increasing prices.

Improving packaging is not the answer to all transit problems, however. Salvo Malluzzo, manager in charge of logistics at Indesit UK, part of the Merloni Elettrodomestici group, says that better packaging cannot replace effective control and management of distribution.

"You need to indoctrinate staff about the need for care," says Malluzzo. "You need to be a saint not to create damage at some point. And if there is damage, I love my men even more when they admit it. It is far better to deal with it in the warehouse than at the customer's home."

However, the real problems begin with third-party deliverers, says Malluzzo. The delivery business in the UK is highly competitive, often subcontracted and experiences continual price-cutting.

"Sometimes even the retailer doesn't really know who is delivering the washing

Spotting burglars via the mains

TRANSEC, a Swiss company, has removed the need for expensive wiring in the installation of burglar alarms. Such cables are thought to deter the use of such equipment, particularly in domestic premises.

The new system, called Spot Alarm, employs the existing mains wiring to carry the detection signals.

The user simply plugs a special unit into the room needing protection. At another convenient mains outlet, the control box is plugged in. Up to 15 detectors can be connected.

The ceiling units can detect people by their radiated body heat. They have an 18 degree cone of acceptance and so can be pointed at, say, a door or window. The detection range is up to seven metres and the units can be pointed slightly upwards to avoid false alarms from domestic animals.

Spot Alarm is expected to sell in the UK for about £300 for one detector and a control box. Although this is rather more than the price of systems which need wiring, trunk cables to three metres, negligible. The system has the advantage that it can be unplugged and taken away if the occupant moves.

The detectors use audio frequency tones, generated by timing forks which are transmitted over the mains cable by a radio carrier. Similar forks accept signals in the control box.

The system is said to be immune from interference from power lines, such as systems in nearby premises, and to cause no such problems itself.

WORTH WATCHING
Edited by Geoffrey Charlish

Parental control of phones

TWO DEVICES have been launched to prevent unauthorised use of telephones in either domestic or commercial situations.

One, from the London company Pulway, is named Callsever and consists of a 4 in by 3 in (100 mm x 75 mm) slim box which fits over and connects to a standard British Telecom wall socket.

The phone, plugged into the box, can then only be used to take incoming calls or make a 999 call. Other kinds of outgoing call are barred.

Callsever comes into operation when a key is

A trap for the high-speed raider

A FRENCH company has developed a system - with the characteristics of mouse trap - to deter attempts to drive at high speed through the closed gates of secure premises. The device, which was behind attacks at the US and French compounds in Lebanon a few years ago, is mechanical, so little will fail due to loss of electric power.

First, a gate made from square steel plates, horizontally hinged to the ground, is positioned across the entrance. Operated by a security guard, it opens back into matching slots in the road to give a smooth surface.

If an attempt is made to crash through, the second part of the system comes into action. This consists of a row of thick, rectangular steel plates placed across the road and hinged at their furthest edges.

Normally they lie flat, but impact on the front gate "springs the trap" and causes the plates to shoot open to a height of about two feet. This causes the oncoming vehicle with massive steel edges able to take an impact force of 180 tonnes. This certainly stops the vehicle, often penetrating the front of it.

Program for clearing smoke

AS COUNTLESS fire tragedies have shown, smoke can cause severe breathing and visibility problems for rescuers and rescued alike, even when the fire is some distance away.

In the UK, the first computerised smoke clearance system has been successfully tested and will be installed use of the Whitelays shopping development in Bayswater, London.

Berkeley Environmental Systems (BES), of Amersham, is responsible for the computing and software system, working to a specification produced by Ove Arup, consulting engineers.

In a fire, sensors will locate the fumes and channel them out of the building.

The system is run by a central personal computer which controls four fans and 48 damper units (duct flow

controllers). The state of the dampers and each reversible fan is monitored via a graphics display on the PC. The display is divided into 12 smoke zones. If a fire occurs in any of them, the pre-programmed system goes into action to duct the smoke and fumes away. It works for 15 minutes, giving the emergency services vital time to evacuate the premises.

CD sales spin upwards

SALES of compact discs in the US, Japan and Europe rose to 390m last year, up 56 per cent on 1987, according to BBS Mackintosh, the market research company. In 1988, it expects world demand to exceed 540m discs, worth £10bn at retail prices.

CONTACTS: Transec: Switzerland, 22 428940; Pulway: London, 847 3334; Callsever: UK, 073 315444; BES: 024 71117; Sarta: ring London 854 4440; BBS Mackintosh: UK, 0822 40574.

024 71117

DELIVERIES GUARANTEED TOMORROW.



Super 24 is a new service from Royal Mail Parcels for businesses who have no time to listen to excuses.

It's designed specifically for contract users whose deliveries are both frequent and urgent.

Whether you send babies booties or tank tracks we guarantee to deliver them by close of play the next day.

It's a guarantee you can bank on too. Because, if we should ever make a late delivery, you get your money back.

The guarantee covers virtually all U.K.

business addresses with one or two far-flung exceptions. And every consignment is insured free against loss or damage up to £1,000 per item.

And will you in the name of efficiency find yourself tied up in miles of red tape? Not an inch of it.

Super 24 operates as smoothly as its sister service, Datapost.

For example, a phone call to your local depot will tell you precisely when your goods were delivered.

And once a week you'll get a data report

giving you the status of every parcel and consignment you've sent.

The service is competitively priced and one call to the number below will put you in touch with Jacqueline Robinson who can tell you much more than we can here.

0800 300 363

**Royal Mail Parcels
Super 24**

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ARTS

CINEMA

A forty-carat fairy tale

Rain Man is a great modern fairy tale. For those who have been holidaying in the outer galaxies, this is the film starring Dustin Hoffman as an autistic savant which has collected eight Oscar nominations and \$10m at the US box office.



Dustin Hoffman in Rain Man

- RAIN MAN Barry Levinson
SCANDAL Michael Caton-Jones
D.O.A. Rocky Morton and Annabel Jankai
FATAL BEAUTY Tom Holland
THE UNHOLY Camillo Vola
RETURN OF THE LIVING DEAD PT 2 Ken Wiederhorn
LE GRAND CHEMIN Jean-Loup Hubert

bounced untimely into the real world. In Scandal... watch the events that helped bounce a true-blue Tory government out of the real world.

diverse hits into a stronger dramatic unity. And it needed to stick with the story beyond its initial conclusion.



Simon Callow, and Alan Bennett as Anthony Blunt, in Bennett's 'A Question of Attribution'...

The Voice of Ariadne

GUILDHALL SCHOOL This Musgrave's operatic working of Henry James was first seen at the Aldeburgh Festival in 1974...

intensity. The role of the Countess is harder to bring off (curiously, the writing for female characters in this opera seems less well focused than for the men).

Dustin never makes eye contact and communicates mainly by sending front-line non-quirks from his sweetly scrambled brain.

instantly compute the exact number when 247 toothpicks fall on a restaurant floor.

It holds together like a suitcase packed by a determined fly-by-night criminal. It bulges in funny places but it damn well not to going to burst open.

You are better off with Jean-Loup Hubert's Le Grand Chemin. Despite a plot that sounds like an identical French pastiche...

Giovanna d'Arco

BLOOMSBURY THEATRE Verdi had just turned 31 when he composed Joan of Arc, his seventh opera.

Christopher Fifield conducts a fallible but eager band with his customary vigour. The three principal roles, long and tearfully taxing, are taken with no less stamina than courage.

Des Knaben Wunderhorn

The delightful songs of Mahler's Des Knaben Wunderhorn are so often a disappointment in the concert hall that one starts to become wary of approaching them at all.

American baritone Thomas Hampson they picked an outright winner. This is a strong, healthy voice and Hampson brought to all the male songs well-projected singing that would be difficult to beat today.

"Ulrich" and "Wo die schönen Trompeten" the difficulty of moving this big voice around Mahler's slow, suspended vocal lines left her having to push up into notes awkwardly from below.

The ranks of the RPO ensemble was ragged. The First Symphony went rather better in a ferociously dramatic performance, full of hard and bright sounds.

Prokofiev Piano Sonatas

WIGMORE HALL Prokofiev's nine sonatas and numerous smaller pieces comprise one of the central piano oeuvres of 20th-century music.

undoubtedly a rather undervalued body of work - only the sixth and seventh sonatas are curiously played with any frequency, and one would like to be able to applaud the American pianist Barbara Niseman for undertaking a complete cycle of the sonatas at the Wigmore Hall.

ARTS GUIDE

EXHIBITIONS London The Royal Academy, Italian Art in the 20th century: after German and British, the third in the Academy's roughly biennial sequence of major national surveys.

retrospective of the legendary scenes inspired by hunting or by the Dionysian cult. Tabularia, mirr, and treasures from temples testify to the fineness of Roman and Greco-Roman master craftsmen.

Glent Floral Palace, Chis - Cines a multi-media exhibition of film sets inspired by European and American productions, originally mounted in Paris's Grande Halle-La Villette, daily, ends May 21.

Brussels Musée Royal d'Art et d'Histoire, 'Tibet - Tibet and Magic, sculptures and paintings of lamaist gods on loan from the Musée Guimet, Paris. Closed Monday ends May 14 (733.9810), Palais des Beaux-Arts, Arts, Arts Deco to Europe March 3 to May 28, closed on Mondays, (513 70 97).

first big presentation of Delvenca's works in Germany. Ends March 19. Cologne Käthe Kollwitz Museum, Käthe Kollwitz (1867-1945), 120 early works by the German graphic artist Käthe Kollwitz, from the Dresden copper engraving cabinet collection, are exhibited for the first time outside Dresden. Neumarkt 18-24. Ends March 28.

tion includes 123 works. Ends March 22. Museum of Modern Art, in advance of its arrival at London's Hayward Gallery in November, the first retrospective of the work of Andy Warhol since 1970. Ends May 2.

Washington National Gallery of Art, César: the Early Years. Already seen at London's Royal Academy of Art and the Musée d'Orsay in Paris, the exhibition comprises 65 oils and 36 drawings showing César's proto-impressionist techniques from 1889 to 1975. Ends April 30.

Chicago Art Institute, As part of a national tour, 67 rare ancient Greek sculptures, bronzes, and painted terracotta trace the development of the human form to art from the sixth to the fifth centuries BC. Ends May 7.

Paris Grand Palais, Paul Gauguin. Coming after Washington and Chicago, 250 works from all over the world form an important

retrospective of the legendary scenes inspired by hunting or by the Dionysian cult. Tabularia, mirr, and treasures from temples testify to the fineness of Roman and Greco-Roman master craftsmen.

Brussels Musée Royal d'Art et d'Histoire, 'Tibet - Tibet and Magic, sculptures and paintings of lamaist gods on loan from the Musée Guimet, Paris. Closed Monday ends May 14 (733.9810), Palais des Beaux-Arts, Arts, Arts Deco to Europe March 3 to May 28, closed on Mondays, (513 70 97).

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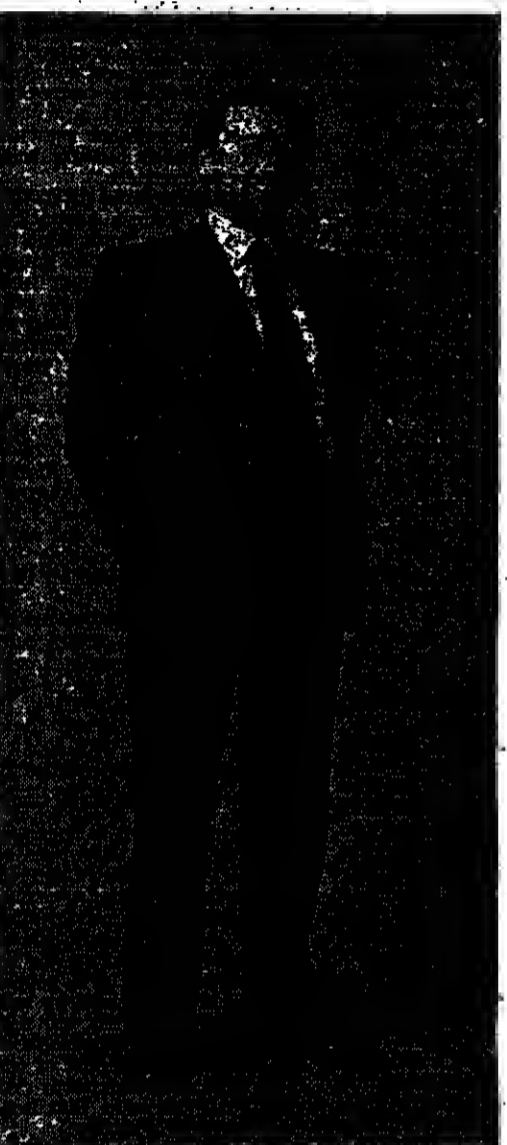
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Tokyo National Museum, Treasures from the Ninnaji Temple in Kyoto. This Zen temple was founded in 888, but most of its present buildings date from the 16th century. Closed Mondays. Followers Museum, Kanazawa, East Meets West ceramics and stoneware by the two greatest potters of the 20th century, Leach and Hamada. Closed Mondays. Idemitsu Museum, Arts and Crafts from China. This museum boasts a superb Chinese collection, of which only a small selection can be displayed at one time. Opens Tuesday.

Y MARCH 1989
tribution," the...
m the National...
by Michael...

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Paul Dimond, Foreign and Commonwealth Office.

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George Kennedy, Chairman, Smiths Industries Medical Systems.

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FINANCIAL TIMES

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Thursday March 2 1989

Reading the tea leaves

THE FIGURES on the current account for January 1989 offer the Chancellor of the Exchequer the worst of both worlds. The deficit was only £200m less than the consensus forecast and so not bad enough to justify higher rates of interest. The figures were also not good enough to avoid further downward pressure on sterling. Consequently, Mr Lawson finds himself in the uncomfortable position, with the Budget less than two weeks away, of constantly looking over his shoulder at what is happening to sterling.

The pressure on sterling partly reflects monetary tightening elsewhere. Above all, interest rate differentials vis-à-vis the D-Mark have fallen by more than 1½ percentage points since base rate was raised last November. But domestic performance matters less for it determines the interest differential that Mr Lawson needs to maintain.

So how should Mr Lawson read the tea leaves in yesterday's cup of information on the trade balance and the money supply? The good news is that the current account deficit is stabilising and monetary growth falling. The bad news is that the current account deficit remains huge.

Explosive growth

The current account deficit for the last quarter implies one of £18m over a year (roughly 4 per cent of gross domestic product). But following a deficit of £4bn in the three months, August to October 1988, the figure for the latest quarter does at least suggest that the explosive growth in the deficit during the second half of 1988 has ceased.

The question now is whether the deficit will decline or merely stabilise. At first glance the figures reveal light at the end of the tunnel. At an annualised rate the growth of the volume of exports (excluding erratic items) between the first two quarters was 9 per cent. If growth of export volume can be maintained, while that of imports slows, maybe the UK will grow its way out of the deficit.

Looked at more closely, the gleam of light turns out to be an illusion. The volume of

exports of manufactures (less erratic items) grew at an annual rate of only 3½ per cent between the last two quarters. Meanwhile the volume of imports of manufactures (again less the erratic items) grew at an annual rate of over 17 per cent. There is no evidence here of the performance required for a "soft landing."

Policy touchstone

The monetary statistics are somewhat more encouraging. Seasonally adjusted narrow money (M0) fell by 0.6 per cent in January, while the annualised rate of growth of M0 was only 2.3 per cent over the latest three months. Meanwhile, seasonally adjusted broad money, M4, rose by only 0.7 per cent (an annual rate of under 9 per cent), well below the 18 per cent increase over the previous 12 months. Monetary tightness is working, therefore, though the overhang from past growth remains daunting.

None the less, the exchange rate remains the touchstone of monetary policy. Further significant sterling decline, especially vis-à-vis the D-Mark (against which it has lost more than ten pence since the beginning of last week) cannot be permitted. An increase in base rates to further sterling weakness would provide the Chancellor with the stability he needs to present his Budget.

At this stage in both the economic and political cycles the case for minimal tax "cuts" in the Budget also seems overwhelming. Given the UK's strong central position, the Chancellor can comfort himself with the thought that tax cuts postponed will allow still bigger tax cuts (not to mention, politically attractive expenditure increases) in succeeding years.

A year ago, too, it was the currency that threatened to undermine the festivities of Budget day. But then it was sterling's choice, since the Chancellor can comfort himself with the thought that tax cuts postponed will allow still bigger tax cuts (not to mention, politically attractive expenditure increases) in succeeding years.

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Spreading the ozone news

WHATEVER may be said about the British Government's record on environmental matters as a whole, next week's Ozone Conference in London must be regarded as a possibly useful initiative that could have a positive effect. The charge made this week by Friends of the Earth, that on many similar issues action by Whitehall has been both belated and insincere, is certainly true - but it is also true that the single most important diplomatic action that can be taken to protect the ozone layer is to convince as many countries as possible that the danger exists. One by one, as they see any chance that some of them do something about it.

The hope must be that this target is raised to 100 per cent at next week's conference. About 115 governments have agreed to take part, mostly at ministerial level. As host, Britain is looking forward to the attendance of China, India and South Korea. The opening speech will be made by the President of Kenya. This is an inspired choice, since the enthusiastic support of developing countries is essential. It has until now been thought easier for wealthy countries to abandon the use of CFCs in aerosol sprays than it might be for poor countries to accept CFC substitutes when they manufacture refrigerators and air conditioners, but next week's message could be more optimistic. In most cases the necessary substitution technologies are at an advanced stage of development. The cost to developing countries of moving at once to the use of the ozone-friendly method of manufacturing may not be high - but if it is, Britain should take a lead in offering schemes to help them meet it. As in so many other environmental matters, the North cannot expect the South to bear the economic burdens of conservation without assistance.

Reduced time-scale

The next step, after London, is a more formal conference at Helsinki. It is there that the Montreal targets could be properly enhanced. The time-scale for phasing out the use of harmful CFCs could be reduced. This will depend in part on the pressures in individual countries: it was public campaigning that led to the announcement that most leading British aerosol manufacturers will now cease the use of these chemicals by the end of 1989. Ministers representing the UK at Helsinki should nevertheless accept the idea of a quick phase-out after being exposed to the arguments of the scientists who will be present at the London conference.

The good response to the British Government's freeland exercise in calling a conference is encouraging evidence that the hole in the ozone layer is now a matter of worldwide concern. If a little PR helps that, that concern towards useful action, so much the better.

William Dullforce on a scandal which is shaking Swiss confidence

Ferment in the Alps



At the centre of the storm: Mrs Elisabeth Kopp and her husband, Hans

The Swiss political and banking establishments are in the throes of a rare moral crisis. Unusually for a country whose first woman Cabinet minister, Mrs Elisabeth Kopp, and has given many Swiss a disturbing insight into what one journal described as "the hidden face of the Swiss financial centre."

The cause of the ferment was an investigation by a determined young public prosecutor in the canton of Ticino into the alleged laundering through Swiss banks and companies of some \$1bn (£570m) "dirty money" from international drug traffic. The soul-searching reached a climax this week with the decision of the federal lower chamber in Bern to lift the parliamentary immunity of Mrs Kopp, who was Federal Councillor (Minister) in charge of the Department of Justice and Police until her forced resignation last month.

If, as expected, the upper chamber follows suit next week, Mrs Kopp's actions will be investigated by a federal judge. If he decides she has violated official secrecy rules and perhaps obstructed the course of justice, she could be brought to trial.

The penalty prescribed for breaching secrecy is a fine of up to Sfr 40,000 (£14,750) or a prison sentence of up to three years.

No federal councillor has ever faced such a prospect before. Mrs Kopp's first mistake was to warn her lawyer husband, Hans, about suspicions focusing on Shakarchi Trading, a Zurich-based company, of which he was a board member. Mr Kopp resigned from the company after a telephone call from his wife.

A few days later, Mr Dick Marty, the Ticino prosecutor, named Shakarchi as one of the organisations through which it was alleged that two brothers, Jean and Barkey Magharlan, had been laundering drugs money for some years. The brothers had been arrested in connection with the seizure in

1987 of 100 kilograms of heroin at Bellinzona in Ticino.

A government-appointed special prosecutor confirmed Mrs Kopp's call to her husband - after it had been revealed by a newspaper - and asked that her parliamentary immunity be lifted to facilitate investigation into the possibility that she had breached official secrecy rules. Mrs Kopp insists she did not know at the time of her telephone call that the information about Shakarchi passed on to her by her personal assistant came from official documents. However, she aggravated her case by lack of frankness in subsequent public statements.

A federal judge is investigating the behaviour of officials in the Justice Ministry, including the office of the Federal Public Prosecutor. The judge's writ extends to investigating charges that federal officials have been lax in responding to requests for legal assistance from other countries, notably in drug trafficking cases, and may even have protected people named by foreign investigators. Mr Rudolf Gerber, the Federal Prosecutor, has taken legal action against a newspaper for its reporting of his conduct in handling files concerning the Shakarchi company and Mr Kopp.

Two parliamentary commissions have been appointed to look into the functioning of the Justice Ministry and to determine deficiencies in Swiss legislation facilitating the laundering of dirty money.

The four political parties - Radical (conservative), Christian Democrat, Swiss People's Party (centrists) and Socialists - which have governed the Swiss Confederation in coalition for the past 30 years have reacted strongly to try to heal what they rightly diagnose as a public crisis of confidence.

Until the disclosures led to Mrs Kopp's resignation, she had earned a reputation as an effective, hard working minister. But, at the time of her election to the Federal Council (Government), some newspaper commentators pointed to the dangers inherent in her husband's background and influence.

The Koppes come from the Goldküste, (Gold Coast) or right bank of the lake on which the cream of Zurich's bankers, insurers and businessmen live. It is also the heartland of the conservative wing of the protestant Radical Party. Many Swiss, rightly or wrongly, believe that the Goldküste contains Switzerland's highest concentration of economic and political power.

Recent reporting on Mr Kopp's business activities has raised doubts about how that power is sometimes used. He was connected with a venture capital company which is under investigation. He was once suspended temporarily by the lawyers' association. He has just been fined over a tax claim. After the publicity given to the Shakarchi case, Mr Kopp resigned from posts on the boards of the Zurich subsidiaries of ICI, the British chemicals group, and of Fujifilm.

The Kopp affair has undoubtedly tarnished the image of the Goldküste and of the Zurich Radical Party. One result is that, for the first time, the canton of Zurich has lost its seat on the Federal Council.

The wider, international implications of the agitation are reflected in the accusations levelled against Shakarchi by Mr Marty, the prosecutor investigating the money laundering case. Shakarchi has an important banknote clearing business, through which proceeds from drugs traffic were passed, Mr Marty claims.

Shakarchi was also linked by the US embassy in Bern to another drug money laundering scandal, dubbed Polar Cap, in the US. The alleged link was to an account which, the embassy said, Shakarchi maintained with a New York bank. Swiss authorities said the account contained \$500,000 in alleged drug money.

or companies is not punishable under present Swiss law, unless it can be shown that the bank or company knew the funds were being reinvested in the drugs trade.

The publicity given to this aspect of the Kopp-Shakarchi affair has caused disquiet among public and politicians. US drug enforcement agents, who argue that the finances of the drugs trade must be hit as hard as the manufacturing and marketing, are pleased that the Swiss are starting to worry about laundering.

At present couriers carrying suitcases stuffed with banknotes can enter the confederation without being stopped by customs officials. At the banks the only obstacle to the conversion of the notes into other currencies or gold is the convention or gentleman's agreement operated by the Bankers' Association under which the banks undertake to identify their clients and ensure themselves of their respectability. That convention does not cover the so-called parbanks or companies operating without a banking licence.

Credit Suisse, with whom Mr Marty said the Magharlan brothers had deposited Sfr 1.4bn in various currencies over two years, has protested that it has no reason to doubt that the brothers' business was respectable.

The Swiss National Bank and the Federal Banking Commission have both called recently for a tightening of regulations. The banks are opposing legislation which would require the director general of Ogas, the director general of Ogas, to be a banker - under which negligence by bank officials in processing criminal funds would be punishable as well as deliberate assistance in laundering.

When parliament this week lifted Mrs Kopp's immunity, Socialist supporters of the ruling coalition spoke of "abuse of power and corruption." The affair has shown that Switzerland is "not the exemplary state we thought," one parliamentarian says. He and his colleagues' evident determination to clean up suggests that the affair has not yet run its full course.

Hoskyns goes on fighting

Sir John Hoskyns, the director-general of the Institute of Directors who seems to have fallen out with Lord Young, the Trade and Industry Secretary, will make another speech today to clarify his position about 1992 and all that.

Hoskyns is due to address the German Chamber of Commerce in London at lunch-time. He may say that there has been some misunderstanding between Young and himself that ought to be cleared up. Yet he is also likely to repeat the fairly strong message that the preparations for 1992 are not going at all well.

The argument came into the open when Hoskyns was interviewed on BBC Radio 4 ahead of his speech at the IoD's annual conference on Tuesday morning. A somewhat outspoken man at times, he indicated his reservations about the progress so far. Young was then interviewed separately and complained that Hoskyns should have consulted him first.

In fact, the two men have been in frequent contact about 1992 over the last few months, as one would expect from their respective positions. Hoskyns has been saying for some time that the DTI and the Brussels Commission were not getting down to the nitty-gritty of what the single market is meant to be about. In his view, it is a matter of striking the right balance between regulation and the freedom for business to operate.

Hoskyns said all that quite strongly in the presence of Lord Cockfield, then the vice president of the Commission, last summer, and sent a copy of his remarks to Young. He has also said it as a member of Young's 1992 steering committee, and claims to have been backed up by John Banham, the director-general of the CBI, and Lord Weinstock of GEC. But the public speeches about 1992, Hoskyns claims, all turn out to be full

Blunt Eggar

Tim Eggar, the junior minister at the Foreign Office

OBSERVER



responsible for Latin American affairs, has been having a hard time on his trip to Honduras for a meeting of Central American and European Community colleagues.

Miguel d'Escoto, the Nicaraguan Foreign Minister, has publicly accused him of being "highly ignorant of the region's affairs. D'Escoto also charged him - and this was clearly meant to be a real insult - of "behaving in the spirit of Eliot Abrams," the US Undersecretary of State for Latin American affairs under the Reagan administration.

Eggar had reminded Nicaragua that it ought to stick to the letter and the spirit of the San Salvador agreements under which it undertook to carry out electoral and media reforms, bring forward general elections and free large numbers of prisoners held since the 1979 revolution. But the rest of the Europeans did not press very hard and Eggar was described at the end, even by the Europeans, as the only one

who wanted to stick to the hard Reagan line. That may, of course, do him no harm at home.

No gas man

When the gas man called to do some repairs at the house of James McKinnon, he did not know that the silver-haired Scotsman at the door was today can afford to ignore such questions or fail to give any indication of the appropriate boundaries of the state.

Sir Alan Peacock's contribution is rather more thoughtful. It is also surprisingly emotional in places. He claims, for example, that in the 1970s senior Conservative and Labour politicians believed in a form of intervention "not unlike that which had developed in Germany under the Nazis or Italy under the Fascists." Conventional industrial policies may well be flawed, but surely damning by association in this way is a little underhand? Industrial intervention, after all, is now a bona fide Thatcherite policy;

After a high-speed return, the engineer never returned, though McKinnon swears the animal was under perfect discipline.

Not long afterwards, Dr David Metz, deputy director general, arrived at work after lunch having spent a fruitless morning waiting for a gas service man who failed to arrive. Then the same thing happened to Willis McLeod, adviser for consumer affairs and the man responsible for dealing with the 276 complaints referred to Ogas last year.

McKinnon is now thinking of a change to British Gas's licence, so that he can enforce standards of service and the keeping of appointments.

But surely British Gas engineers know that there are certain people, like their chairman, Sir Denis Rooke and Margaret Thatcher to whom it would be prudent to offer prompt service. "Maybe," says McKinnon, "that's why I am billed under my wife's maiden name."

Very mixed

The Chancellor really has problems, according to the latest International Economic Review from Kleinwort Benson Research. "Mr Lawson," it reports, "continues to walk a tightrope, with sterling the biggest potential banana skin."

BOOK REVIEW
Delicacies of economic fare

Mr Johnson, like a good chef, has taken care to assemble a selection of essays that should appeal to most economic palates. The libertarian right is represented by Britain's ebullient Chancellor, Mr Nigel Lawson, and by Sir Alan Peacock, the advocate of market forces to broadcasting. Liberal and mildly left-wing views are championed by three of the brightest post-Second World War economists: Professors James Tobin of Yale, Frank Hahn of Cambridge and Amartya Sen of Harvard.

THE MARKET ON TRIAL
 Lloyds Bank Annual Review, Vol 2
 Ed. Christopher Johnson
 Pinter Publishers, £22.50

Many of the essays originally appeared as lectures in honour of Fred Hirsch, the late journalist and academic whose Social Limits of Growth provided a novel analysis of the feelings of the free market.

Mr Johnson, Lloyds Bank's somewhat Keynesian chief economist, introduces the volume and makes a valiant effort to draw common themes from a disparate set of essays. His best point is that regulation has "become one aspect of a struggle in which the other two are state ownership and market freedom". As he argues, privatisation in Britain has been largely characterised by the replacement of public ownership by public regulation.

Lord Young at the Department of Trade and Industry is busy dishing out subsidies to management consultants in the hope that they will tell businessmen how to make profits. Liberals should, however, appreciate a couple of points made by Sir Alan. The first (if I'm not mistaken) is an extremely well-cited call for tougher inheritance taxes. Sustained concentrations of wealth, he argues, can endanger political as well as economic freedom because they give wealthy individuals power over the less fortunate. Most libertarians dislike discussing openly the intimate connection between economic and political power. But this issue cannot be avoided given that a whole range of government policies are redistributing income from the poor to the rich.

The regulator may have as much power, and as little valid basis, for imposing prices on a non-competitive industry as has the state planner.

Mr Lawson's essay, The State of the Market, was delivered last July as a lecture to the Institute of Economic Affairs. It is characteristically trenchant, asserting that post-war intervention and planning were "aberrations" and that the market economy is the "normal, healthy way of life". This may be the case for the production of cars and transistor radios, but what about health care and education?

What about the left-of-centre camp? Professors Hahn and Sen provide sophisticated and entertaining critiques of the invisible hand. Indeed, it is instructive to compare their level of argument with that of Mr Lawson, who still writes as though he were speaking in an Oxford Union debate. Mr Hahn's main point is that our knowledge of the actual movements of Adam Smith's hand is "rudimentary and vastly incomplete". It is therefore not prudent to place all our eggs in one ideological basket. But he accepts that very few people can live with a "shadowy and ill-defined picture" of our economic world. Hence the habitual bluster on the part of the ideologues, who can never provide fully rational justifications for their policies.

Readers will regret that Mr Lawson congratulates the Government on its past achievements rather than analysing the role of the market in social policy, where the debate is now focused. Does he think that private medicine and education should be expanded and, if not, why not? No essay purporting to analyse the state of markets today can afford to ignore such questions or fail to give any indication of the appropriate boundaries of the state.

But if only one of these essays could be saved from the flames, I would choose Professor Tobin's celebrated attack on the efficiency of financial markets. It is impossible to read his paper, given in New York in 1984, and continue to believe that City and Wall Street sypies deserve their salaries. Lloyds deserves credit for putting it between hard covers.

Michael Prowse

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ECONOMIC VIEWPOINT

The magnitude of credible deficits

By Samuel Brittan

Large and sudden increases in a country's payments deficit is normally a sign of suppressed inflationary pressure...

Let us suppose that about half the UK recorded deficit can be explained in this way. What do we say about the other half? How large a deficit is likely to be financeable at acceptable interest and exchange rates over the medium term?

Changes in UK net external assets table with columns for End 1979-1980, End 1980-1981, and Cumulative change.

the expenditure version of the national accounts, much of which may be accounted for by investment. The main alternative possibility is that the current deficit has been overstated.

A more frequent way of rating countries is by looking at their net assets or debts in relation to GDP (as shown in the larger table) or in relation to exports. Here the UK scores well, with net overseas assets corresponding to 20 per cent of GNP and nearly 80 per cent of exports.

Some British economists see a danger that, if the UK current account remains in deficit, British net external assets will run off as rapidly as they accumulated. This will be followed by a net debtor position like America's, with an increasing proportion of the national income devoted to the servicing of overseas debt.

External net assets* table with columns for End years 1980, 1985, 1986, 1987 and rows for US, Japan, W. Germany, and UK.

* Excluding gold holdings Source: Bank of England Bulletin Nov. 1988

ever, due to the October Wall Street crash - which mainly reversed the picture earlier in the year - but to the large fall in the dollar exchange rate against sterling in a year when the British currency was exceptionally strong, and the American weak.

and therefore be just as fruitful as imports of machinery. The more useful approach is unambiguously matters. The current account deficit is by definition the difference between domestic investment and domestic savings.

Michael P. The main point is that the deficit is not a sign of suppressed inflationary pressure...

1992 handicap From Mr Peter Bell. Sir, Mr Tudor Rickards calls for firms to set up action groups to study their 1992 strategy (Letters, February 23).

Saving on drugs costs From Mr Louis C. Kleber. Sir, Peter Marsh's observations about the UK generic drugs scene (February 14) are interesting.

Genius loci From Miss Diana Pulvermacher. Sir, Observer refers (February 23) to the use of City of London churches as shelter from the rain.

LETTERS

Risk of economy with the truth

From Mr John Wells. Sir, Discussing National Health Service financing, Ian Thompson (Letters, February 17) rightly notes the difference between the average economy-wide rate of inflation (as measured by the gross domestic product deflator) and the retail price index.

Do health standards suffer because generic drugs are used? Evidence indicates they do not. Many hospitals now use generic drugs. Significantly, all drugs must meet the rigid standards of the Federal Food and Drug Administration.

ever venture across the threshold of a City church. What do the empty churches stand for? The root meaning of credit (Latin: credere) is "trust".

But there seems to have been no corresponding increase in public expenditure on "personal social services" - a local authority responsibility. These, reflecting the general squeeze on local authority expenditure, remained a constant (18 per cent) of total NHS spending, comparing 1979-87.

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the overseas component. A wealth objective gives some weight to balance of payments factors, as overseas borrowing counts as a liability and is a subtraction from national wealth.

The wealth objective would thus achieve more effectively what the balance of payments target attempts to do very crudely: namely it provides a safeguard against the country concerned enjoying a high level of consumption by living on tick and starting up trouble for the future.

W a have come across no philosopher's stone which will tell either a borrowing country or international lenders how much net borrowing is safe.

Information about the Diploma is available from the International Baccalaureate Office, 18 Woburn Square, London WC1. It is holding a conference on March 21st.

LOMBARD A baccalaureate for Britain

By Michael Prowse

WHAT CHILDREN learn and how they are taught crucially influence employment prospects, the development of character and the nature of society.

The curriculum outlined above is hardly outlandish. It is anybody besides Mr Baker seriously willing to argue that large chunks of it are irrelevant for an understanding of the modern world?

Information about the Diploma is available from the International Baccalaureate Office, 18 Woburn Square, London WC1. It is holding a conference on March 21st.

Your international banking professionals



FINANCIAL TIMES

Thursday March 2 1989



UK Government calls for crackdown on EC fraud

By Tim Dickson and David Buchan in Brussels
THE BRITISH Government is urging its European Community partners to step up the fight against EC fraud on all fronts.

Officials point out that responsibility for policing the Common Agricultural Policy - and preventing the sort of abuses highlighted in two explosive reports from the EC's Court of Auditors - lies largely with member states and their own resources to carry out investigations are limited.

the European Parliament and the Court of Auditors and would cover new information on the extent of fraud against the budget and preventive measures taken by the Council and Commission to combat the problem.

Baker plays it cautious on Middle East

LIKE many of his fellow-Texans, Mr James Baker, the US Secretary of State, sees life as one long poker game.

Lionel Barber assesses the likely approach to the Middle East peace process of new Secretary of State James Baker



His caution in approaching the Middle East, where the odds are changing almost as fast as they can be worked out, is therefore perfectly natural, even if it frustrates European allies and left an opportunity for the Soviet Union to seize the initiative.

Although Mr Shultz had been their loyal ally for many years, the Israelis said their final "Shalom" with some relief, after an exhausting round of flying diplomacy last year, which culminated in the opening of the dialogue with the PLO.

The shift is reflected in the deafening silence with which most of the American Jewish leadership greeted the opening of the dialogue with the PLO. Instead of outright opposition, most Jews embraced the decision, provided that the PLO matched its verbal renunciation of violence with deeds.

remained a democracy and that it was being held to a high standard, but the damage has been done. Third, an attempt by pro-Israel Congressmen to torpedo the US-PLO dialogue over the new year also died an early death.

UK proposes to simplify rules governing financial services

By Richard Waters, in London
THE UK Government yesterday proposed an amendment to the Financial Services Act designed to smooth the way for a simplification of the unnecessarily complex rule-books which have been accused of spawning bureaucracy and not protection for investors.

The Government is proposing to remove the legal requirement for all self-regulating organisations (SROs) and recognised professional bodies to have rules which ensure an equivalent standard of protection to those of the Securities and Investments Board (SIB).

A test of cost-effectiveness will also be introduced under which regulators will be able to drop some rules if they can prove to the SIB that the cost does not match the protection offered to investors.

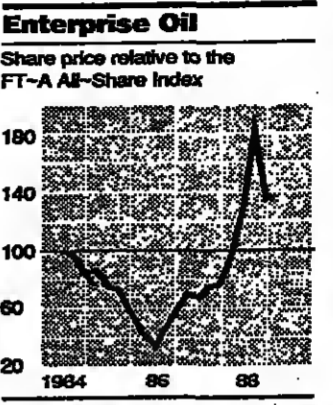
Concorde makers study plans for replacement

By Michael Donnan in Toulouse
DESIGNS for a possible second-generation supersonic airliner to replace Concorde in the early years of the next century are being studied by British Aerospace and Aerospaziale of France.

similar design which it calls its Future Supersonic Transport Aircraft. Sir Raymond said the two companies "have the expertise for such a task, but we would have to think carefully about the size of the market and the cost, and we would have to have government backing".

A free market for Enterprise

It would be nice to think that yesterday's 4 per cent jump in the Enterprise share price, in the teeth of a 1989 cash call, was recognition of the elegance of the Texas Eastern deal.



Under the circumstances, it is not difficult to see why 18 per cent today from Commercial Union looked less interesting than the chance of over 20 per cent dividend increases every year for the foreseeable future from Sun Alliance.

The reality will doubtless be more complex. If EIF made its move now, it would in effect be blocking a deal which could well suit its long-term predatory interests.

General Accident, for its part, need face no such debate over the merits of coverage. But a market minded to crucify the GA management for its uncharacteristically un-Scottish blunder in New Zealand was not about to give the company much credit for that.

The recent progress of WPP might be represented as a tale of two financial statements. The balance sheet version still looks faintly ridiculous: net worth of minus £100m, and the company proposing to change this by assigning a book value to the J Walter Thompson name.

UK trade figures

The London equity market is behaving as if there is no risk of another point or two on UK base rates, and perhaps it is right. The January trade figures were not quite bad enough to precipitate a rush out of sterling and a knee-jerk rise in rates.

UK insurers

Yesterday's market could not ignore the fact that Commercial Union made a quite embarrassingly large sum of money out of the UK householder last year, but on balance, the City seemed to think that better news for Sun Alliance than for Commercial Union itself.

Table with columns for location, temperature, wind, and other weather data for various cities.

Smokeless cigarette fails

Continued from Page 1
second place behind Philip Morris. "There's no way without a breakthrough on Premier, which sharply reduces tar intake, as a 'safer' smoke.

two marketing challenges, which proved insuperable. First, R&B was unable to sell Premier, which sharply reduces tar intake, as a 'safer' smoke.

Advertisement for Ferranti International, featuring sections on 'NEWS REVIEW', 'TELECOMMUNICATIONS', 'NAVIGATION', and 'Briefly...'. Includes the Ferranti International logo and tagline 'selling technology'.

Seeking a fresh deck in the standards game

By Richard Waters

A FASCINATING game, not unlike poker, is going on at one of the quieter tables in the financial casino. It sounds a bit dull to the uninitiated (it goes by the name of *How to set accounting standards*) but it has all the ingredients of high drama. And the bidding has just got to a vital stage.

Four institutions have a seat at the table. They are the accounting profession, in the shape of the Consultative Committee of Accountancy Bodies; the Stock Exchange; the Department of Trade and Industry; and the Bank of England.

The game began badly for the accountants. They were dealt the worst hand in the pack. They have to set accounting standards and enforce them (which partly explains why the standards they set are never tough enough). Many of the company directors who apply the standards are not accountants and so feel no obligation to follow the rules.

The other card players have been happy in the past with this situation. The Stock Exchange is really much more interested in the games going on at other card tables.

A master of bluff, it has been happy to sit on its cards at the accounting game and smile knowingly, without ever having to reveal its hand (which, if

the others only knew, contains precisely nothing).

The Department of Trade and Industry has also been happy with its role, but is beginning to get nervous. If the accountants' hand gets too weak, they might bow out of the game and the DTI would have no-one to score points off any more. Also, and far worse, it might have to co-opt someone into the accountants' chair

weakness and left it with hardly any chips at all.

Finally, last year, the accountants demanded a re-deal. There had been an attempt at one of these in 1981 by the then chairman of the Accounting Standards Committee, but nothing came of it. So this time all agreed that the cards should be shuffled by someone who did not have a stake in the game.

Enter Sir Ron Dearing, former chairman of the Post Office.

Sir Ron shuffled first one way then the other, decided the pack, did some fancy card tricks and then, last autumn, dealt another hand. Gasp! all round: each player had received a hand which looked very similar to the last. But a new player, called the Accounting Standards Board (ASB), had been invited to sit at the table. Some of the accountants' worst cards had been set aside for this body.

The problem was that Sir Ron had not used a new deck of cards but simply reshuffled the old ones, and even then not very much: it was only his fancy sleight of hand which had made it look so impressive.

In Sir Ron's game, the accountants would no longer have to set the accounting standards. This would be done by the new ASB. The board would operate under the wing

of a Financial Reporting Council, a sort of takeover panel for the accounting world. This would be staffed by a wide range of interests, to demonstrate its independence.

Half of the cash for this system would come, via the DTI, from a 1% levy on companies when they filed their annual returns. The rest would be provided by accountants and the users and preparers of accounts.

Enforcement (the vital link) would come through a third body called the Review Panel. This would have a new civil power to take directors to court to correct accounts which it did not like (the DTI and the Stock Exchange would also have this power).

A second and more solid line of defence would be provided by a change in the law shifting the burden of proof onto companies to justify why they have departed from standards. At present, it is up to others to prove that the company should not have done what it did.

This proposal packs a big punch. According to the Department of Trade and Industry, it amounts almost to statutory backing for accounting standards.

The whole thing would be policed by auditors, who would have to highlight cases of non-compliance. The hiding on this hand is

now under way. The accountants, who were meant to bid first, have gone into committee to discuss what to do. Since this usually takes months, everyone is still waiting for a move.

It is unclear how the accountants will bid. Most big audit firms, which will bear the brunt of the new system, seem happy with it although the first stirrings of dissent have

been felt recently. But some of the profession's leaders are horrified, without stronger backing, they suggest, the new body will not thrive. Auditors will take too much of the strain.

The new body needs unequivocal backing from the DTI - and legal backing may be the only way of doing that.

Observers believe there may be some calculated brinkmanship here. Any changes to the existing system will have to be inserted into the current Companies Bill by the middle of April - about the time the accountants expect to come up with their bid.

What they don't appear to have realised is that someone has changed the name of the game without telling them: it's now called *Pass the buck*.

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The Bank of England, which manages the whole casino, is beginning to get twitchy

itself, which doesn't bear thinking about.

The Bank of England, which manages the whole casino, is beginning to get twitchy. It knows that this game is vital to the casino's well-being: without meaningful financial information, none of the players at the other tables can play a sensible game. The Bank has pulled its green visor lower over its eyes and its stern expression has become a little sterner.

The accountancy profession endured this for several years. Then a particularly awful hand, called inflation accounting, revealed the profession's

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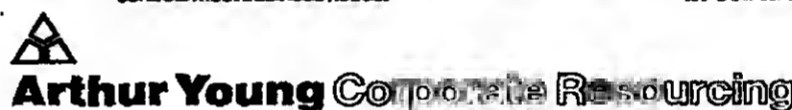
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Candidates should be qualified accountants with at

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Please contact ANDREW FISHER for further information on 01-404 3155, or write to him at Alderwick Peachell & Partners Ltd., Accountancy and Financial Recruitment, 125 High Holborn, London WC1Y 6QA.



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If you measure up to this challenging position and wish to put yourself forward for consideration, please write, enclosing your C.V., to Malcolm Green, Personnel Manager, Dowty Group Services Ltd., Arte Court, Cheltenham, Glos., GL51 0TP or telephone 0242 533069 (24 hour answering machine).



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To ensure the success of these plans, we require a Finance Director Designate. Reporting to the Managing Director, you will require to manage a team of operational and management accountants, ensuring the financial controls and procedures are as required, tight reporting deadlines are achieved, and the team is fully developed.

A qualified CA with financial sector or broad commercial experience, you will now be seeking a Board level appointment giving you greater scope to demonstrate your abilities in a wider business area as a member of the Executive team. Well developed management talents are essential as are good interpersonal skills.

The salary and benefits package is negotiable from £30,000 to attract the highest calibre individuals. Appointment to the Board is envisaged in the short term. Relocation assistance is available where required.

Please send full CV which will be forwarded to our client unopened. Address to our Security Manager if listing companies to which it should not be sent. Ref: 2020/FT, PA Consulting Group, Advertising and Communications, Number Two Blythswood Square, Glasgow G2 4AD. Tel: 041-221 3954.

PA Consulting Group

Creating Business Advantage
Executive Recruitment - Human Resource Consulting - Advertising and Communications

PA TO PARTNER £30,000 PARTNERSHIP 2 YEARS

2 Partner firm of Chartered Accountants seek an ACA, ideally aged 26 to 34. You will have qualified in a small to medium sized firm and be conversant with dealing with clients on a one to one basis. Prospects and career progression are excellent.

In the first instance please contact:
David Paton - 01-580-5522
alternatively write to
Executive Search Division,
Hynes Associates Ltd,
77-79 Wells Street,
London W1

TAX MANAGERS ACA, ATT To £35,000

AUDIT MANAGERS ACA To £30,000
For medium to small sized firms of Chartered Accountants in Central London

David Paton,
Executive Search Division,
Hynes Associates Ltd,
Wells House,
77-79, Wells Street,
London W1
02-580-5522

GROUP FINANCE DIRECTOR DESIGNATE

Property Group

Essex

to £45,000 + benefits

Our clients are a successful and expanding private group of companies, with a turnover in excess of £38 million, involved in a wide range of activities including building construction and development. The Group services clients in both public and private sectors and has gained a reputation for high quality throughout the industrial, commercial, retail and residential markets. The Group intends seeking a flotation within the next two years.

They wish to recruit an ambitious and highly capable Finance Director Designate who will be appointed to the Board within six months. Reporting to the Managing Director, the appointee will be responsible for the accounting function and, in particular, for corporate planning, finance and treasury matters.

Candidates should be chartered accountants with good post qualification experience gained through to senior management level. It is essential that they have the personality to integrate effectively into the Group and the professionalism, technical skills, and confidence to liaise with external advisers.

This is a critical role within a close-knit and forward looking organisation which offers excellent long term experience and career prospects. It carries an extremely attractive remuneration package including a fully expensed executive car, bonus, pension, private health insurance and potential equity participation.

Please write in confidence, enclosing full career details, to Nick Baker quoting reference D4049.

KPMG Peat Marwick McLintock

Executive Selection and Search
70 Fleet Street, London EC4Y 1EU

Senior Accountant - International Oil Industry

A Key Role with Influence and Clear Prospects

Part of a large and diverse international group, this London based subsidiary is one of the UK's most progressive and successful oil and gas companies. It has an extensive portfolio of interests with particularly attractive production both as operator and joint venture partner. With good access to management, you will have significant influence within the decision making process.

You will be part of a small team responsible for providing reports, forecasts and strategic plans to top management in relation to the highly varied range of the Company's exploration and production activities. These include short term profit and cash flow projections, oil and gas taxation, statutory and other financial statements.

This is a specialised role, dealing with matters

exclusive to the oil industry, and you will acquire skills so technically specific that you will be well placed to make rapid advancement. Career development is actively encouraged within this Company and, significantly, this vacancy has been created by such a promotion.

Fully qualified and with 2/3 years experience, you are high in initiative, ability, career potential and analytical skills. Alternatively, you may be at a more mature stage in your career and keen to gain new momentum in a different field.

The remuneration package is both comprehensive and competitive. In complete confidence please ring or write with CV to **John Mack, Simpson Crowden Consultants Limited, 97/99 Park Street, London W1V 3HA. Tel: 01-629 5909.**

Simpson Crowden CONSULTANTS

AN ability to rapidly respond and pro-actively contribute CORPORATE PLANNING FOR PROGRESS

Age 25-29 Sussex/M25 Corridor c. £30,000 plus car and other benefits



Record profits and other key developments, representing this client's continuing progress and growth, have once again found favour in the Financial Press. Operating extensively in both the UK and Europe (the latter being an area of potentially significant expansion) this company is a major player and well-regarded name in its area of the leisure and related services industry.

Growth and development of this kind could not successfully be achieved without a significant contribution from the Company's Corporate Planning area. A rare opportunity to join this team has now arisen. The successful candidate will report at Director level and will enjoy extensive Main Board exposure involving the following activities:

- Long-range and Strategic Planning
 - Review of key investment projects and potential acquisitions
 - "Trouble-shooting" in areas of opportunities and change within individual operating companies.
- In order to be able to perform this high profile role you will be a Qualified Accountant (preferably but not

essentially an ACA). Your personal qualities will, however, be of greater importance and will include:

- A high degree of intellect, with a "robust" level of flexibility and a business mind capable of rapidly grasping and developing Corporate issues.
- A professional, strong but diplomatic approach with presentation skills which will be immediately credible both at Board Level; to External Parties and to Senior Individuals within the Operating Companies.
- The ability and the desire to work in a rapidly developing environment with few formal reporting lines.

Experience of Corporate Finance, Investment Appraisal or Mergers and Acquisitions would be a useful, but not essential, advantage as would be a 2nd European language.

If you feel that you are able to respond to the above challenge please telephone Karen Wilson, BA ACMA as soon as possible on 01-491 3431 (0895 633429 evenings/weekends) or write to her at FMS, 14 Cork Street, London W1X 1PF enclosing a recent CV and a note of current salary.

FMS

Search and Selection Specialists for Financial Management

European Internal Audit Manager

Thames Valley

£28,000 + Car + Profit Share

Our client is the world's leading supplier of data communication products and computer accessories through catalogue marketing. In addition to its sales and distribution activities the company manufactures approximately two-thirds of its data communication products and has a large product management operation. This U.S. group has a worldwide turnover in excess of £220 million and in Europe has 600 employees with operations in six countries.

As a result of continued business success and exceptional growth, a young accountant is required to head up the new European Internal Audit function. You will report directly to the U.S. and indirectly to the European Financial Controller. The key responsibilities will be to evaluate the effectiveness of management controls across all activities and to make a significant operational contribution in identifying opportunities for business improvements. You should expect to spend a substantial proportion of your time in Continental Europe.

Candidates will be qualified accountants with at least two years post qualification experience gained either in a professional firm or in an internal audit role. You will have good commercial awareness and strong communication and interpersonal skills. This dynamic group provides excellent career prospects.

Interested applicants should write enclosing a comprehensive Curriculum Vitae and daytime telephone number, quoting Ref: 301, to Sara Cooke, MA, Whitehead Rice, 295 Regent Street, London W1R 8JH. Telephone 01-637 8736.

Whitehead Rice

MANAGEMENT SELECTION

Ambitious graduate accountants We turn young accountants into high-flying managers - fast. c.£33,000 Rapid progression

The expertise that we at Pedigree Petfoods put into the development, manufacture and marketing of Whiskas - Britain's biggest-selling grocery brand - and our many other brand-leaders is widely acknowledged. Nowhere is this more true than in financial management, where some very bright brains indeed contribute to the success of our growing, £500 million business.

When recruiting accountants, we look for young, adaptable people who combine technical excellence with an unusual degree of personal influence and impact - we do not want specialist accountants to fill rigid, narrow jobs. This is because we expect our accountants to be active around the business, identifying significant opportunities for commercial advantage, and demonstrating their readiness to move ahead in management (this vacancy results from just such a move). Finance in Pedigree Petfoods has long been a proving ground for top managerial talent within the international Mars Group - in fact, whichever Group company you visit, anywhere in the world, you're likely to find senior managers who accelerated their career progression by joining us.

A graduate accountant with 2-5 years' post-qualification experience, you will already have made an identifiable personal contribution to business decision-making. Our salary levels should already have convinced you that we're only interested in working with the best.

A comprehensive package of non-contributory benefits includes pension scheme, life assurance and private health-care. Full relocation assistance will also be available for a move to the attractive rural East Midlands, an area offering many lifestyle advantages as well as excellent links with London.

For further information and an application form, please ring 0476 64253, ext 119, between 8am and 6pm, Monday to Friday. Completed forms must reach us by Thursday 23rd March. We welcome applications equally from women and men.

Pedigree Petfoods
Excellence in the making



RECENTLY QUALIFIED ACA's

Mergers & Acquisitions

London Base

Morgan Stanley International is looking for honours graduates, recently qualified as ACA's, to join its expanding London based Mergers & Acquisitions Department as Associates, where they will become involved in a wide range of transactions both in the public and private markets.

Morgan Stanley is a leading force in the European Mergers & Acquisitions market. Its London team comprises over 35 professionals supported by a large number of industry and market specialists throughout Europe.

Morgan Stanley offers outstanding career prospects and an extremely competitive remuneration package. Highly motivated candidates who possess strong interpersonal, creative and analytical skills (fluency in a second language would also be desirable) should apply in writing, enclosing a comprehensive CV to: Helen Warner, Human Resources, Morgan Stanley International, 1A Wimpole Street, London W1M 7AA.

MORGAN STANLEY INTERNATIONAL

MBA's

MAKE AN IMPACT IN THE CITY

Outstanding remuneration packages

One of the City's most exiting stockbroking firms, Citicorp Scrimgeour Vickers has emerged phoenix-like from the flames of 1987 and ready to forge a dynamic new path into the 1990's. As our ascent gathers momentum, we seek an infusion of fresh vigour into every area of our business. We want men and women who are as hungry as we are. Ambitious self-starters with up to five years' proven business achievement since attaining their MBA. Professionals who are determined to make it right to the top. We believe that excellence dictates its own reward and we can satisfy the financial expectations of any MBA. To find out more, please phone Alan Jones on 01-234 2999 during office hours, or send a full cv to him at Citicorp Scrimgeour Vickers, PO Box 200, Cottons Centre, Hays Lane, London SE1 2QT.

CITICORP SCRIMGEOUR VICKERS

Member of The International Stock Exchange

INSOLVENCY ADMINISTRATORS

£13-18,000

A "Top 20" International Chartered Accountants require two Corporate Recovery/Insolvency Seniors or Supervisors. This is primarily for their London office, but there will be prospects in provincial locations soon. Full study package is needed or TRANSFERING FROM AUDITING has also proved successful in the past.

Mike Morell,
Meridian Accountancy
Rec. Cons.,
01-255 1555
25 Museum Street
London WC1A 1JT
Fax 01-487 3018.

A direct line to the executive shortlist

To secure the best appointments at a senior level needs more than good advice, accurate objectives and succinct presentation. InterExec not only provides career advice, but also a unique service to bridge the critical gap between counselling and the right job.

Why waste time and money on unproductive letters? InterExec clients do not need to find or apply for appointments. Over 40 full-time staff with over 5,000 unadvertised vacancies p.a., enable InterExec to offer the only confidential Executive placement service.

What is each unproductive day costing you? For an exploratory meeting without obligation, Telephone InterExec on 01-930 5041/7

A member of the Career Development & Outplacement Division
Landseer House, 19 Charing Cross Road, London WC2H 0ES.



The one who stands out

DIVISIONAL FINANCIAL CONTROLLER

Surrey To £25,000 + Car + Benefits

A challenging opportunity has been identified within this newly created division which forms part of a major UK company.

The new division brings together four specialist companies encompassing design, civil engineering construction, plant and water engineering installations.

Reporting to the FD, the Controller will function autonomously and assume control of all day to day financial and management accounting functions for the four companies in this division.

Candidates will need to be qualified accountants with some exposure to the construction industry and possess both the flair and initiative to mould this newly created accounting function into a cohesive and well managed team.

Prospects within this group of companies are open ended both in the UK, and overseas if desired. Further benefits include: PPP, pension scheme, travel discount and relocation package if required.

For further details please contact Kim Langridge, consultant to the company on 01-409 8030, or write to him at the London office.



ALLIED RECRUITMENT

SWAN HOUSE, 19 STRATFORD PLACE, LONDON WIN 9AF.
TELEPHONE (01) 409 8030. FAX (01) 493 8280.
LONDON - ST ALBANS - BRACKNELL

THE CRUCIAL DIFFERENCE

Business Management Executive

Play A Vital Part In Our Development.

Not only are we already one of the UK's leading truck manufacturers here at Leyland DAF, but we are also developing strategies to lead us confidently and successfully into the future. A future in which you could play an important part in the challenging role of Business Management Executive, at our marketing and sales headquarters situated at Thame, Oxfordshire.

Joining a specialist team based at our modern Head Office in Thame, you will travel extensively around the UK, working closely with a nationwide network of dealers in reviewing profitability and the efficiency of operations. You will also be concerned with territory analysis (which will involve you in financial modelling and forecasting) as well as the development

and implementation of a new dealer composite scheme.

In addition to an accounting qualification, you should possess energy, determination and excellent written and verbal communication skills. Experience within the retail motor industry and/or in the business management department of a UK vehicle manufacturer or distributor would be an additional advantage.

In return for your skills and commitment we are offering a highly competitive salary, an attractive benefits package and the chance to progress with an expanding, successful market leader. To apply, please write to: Murray Lawrie, Personnel Officer, Leyland DAF Marketing and Sales, Eastern Bypass, Thame, Oxon OX9 3FB. Tel: Thame (08442) 4666.

Leyland DAF



FINANCIAL DIRECTOR

Excellent Salary + Car + Benefits

Situated in the North West, this rapidly growing company in edible nuts and associated snack foods, has built up its considerable market share by strong marketing and dynamic commercial management.

Its new £1 million net production unit is probably the most modern in Europe. To take advantage of this investment it now seeks a high quality Finance Director to bring a sophisticated approach to financial aspects and computerised control. You will be required to concentrate on assisting the Board in the further development of the business using your expertise to advise on all financially related matters.

To meet this major challenge, you should be a Qualified Accountant preferably Chartered, with strong commercial acumen. You will need to be energetic, confident and preferably have an in-house knowledge of the Food Industry.

The task is demanding; the opportunity to record a major personal achievement is enormous.

Salary will be commensurate with experience.

Please write with full personal, career and salary details to:
Lonsdale & Marsh,
Queens Building, 57 James Street,
Liverpool L2 7XB

ASSISTANT GROUP ACCOUNTANT

This position is with a family controlled Group, turnover approx. £4m. The successful candidate will be a qualified accountant with several years experience in commerce/industry.

Located in Tottenham, London, the principal responsibilities of the post are the maintenance and development of Group accounting and information systems. In depth involvement with subsidiaries requires a hands on attitude to the role.

Salary, circa £23,000 p.a., plus other normal benefits. Write with C.V. to The Senior Group Accountant, Kenrich Group Holding PLC, 138 Little Ilford Lane, Manor Park, London E12 5PJ

Highly Visible Opportunity within Acquisitive Plc FINANCIAL CONTROLLER

Age 32-35

Operating in a specialist consumer retail sector, our client is part of a well-known major international plc. A market leader, the client's 700 stores, have a current turnover of in excess of £300 million. Its niche market, which has effectively 'exploded' in the 1980s is still in the early stages of its development curve. Our client is planning to be at the forefront of this development, and fully explore all future opportunities as they arise over the next few years.

The Financial Director is now seeking to recruit an individual, whose immediate responsibilities will be directly involved in this growth.

Supported by a team of some 30 individuals your specific responsibilities will include:

- The short and medium-term planning process
- Internal management and group reporting
- Co-ordination of the company's systems implementation programme

Package to c.£40,000+ car

You in turn will be a graduate, qualified accountant, who can demonstrate:

- A commercial and energetic approach to the business
- A proven ability to 'deliver' and achieve
- Excellent interpersonal and team-management skills
- An affinity to computerised systems
- Definite promotion potential

Previous experience of the retail sector would be a distinct advantage, but is not essential.

The company offices are based within the M25 corridor. A relocation package is available if required.

If you can meet the challenge of this highly visible career opportunity, you should write, enclosing your current confidential resume and salary details, to Peter Flammiger, Director, at FMS, 14 Cork Street, London W1X 1PF (Tel: 01-491 3431).

FMS

Search and Selection Specialists
for
Financial Management

Handwritten note: 01-491 3431

K SHOES Finance Director

Lake District

Our client, K Shoes, is the highly profitable, household-name, retailing, wholesaling and manufacturing subsidiary of one of the UK's leading footwear groups, C & J Clark Ltd. With a turnover in excess of £100m and a healthy record of profits, they continue to be committed to further retail expansion, both organically and through acquisition.

Internal promotion has created the requirement for a Finance Director who will assume total responsibility for the Company's Finance, Management Information Systems and Company Secretarial functions, through the management of a high-calibre professional team. A demonstrable track record of achievement and innovation, preferably including systems implementation and development experience in a retail or clothing environment, are essential prerequisites.

to £37,500 + Substantial Bonus + Car

Candidates, aged 30+, should be graduate accountants, preferably chartered, with a high degree of technical competence allied to a strong personal presence and commercial awareness. As this is a key appointment within a senior management team, individuals will be expected to make a positive contribution to the overall development of the business.

A comprehensive benefits package including a profit related bonus scheme and full relocation facilities to an area noted for its outstanding natural beauty is available where appropriate.

Interested applicants should contact Stephen Broadhurst on 091-222 0545, or write to him quoting ref. NE010 at:

Michael Page Finance,
25 Collingwood Street,
Newcastle-upon-Tyne NE1 1JE.



Michael Page Finance

International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

Controller - Leasing

Thames Valley

to £35,000 + Car

Our client is an autonomous subsidiary of a major merchant banking group. The company has gained an enviable reputation for the creation of innovative leasing and rental programmes tailored to meet the requirements of today's hi-tech market. Turnover this year will be in excess of £400 million.

Future expansion will involve an increase in core business, together with the development of additional opportunities with specialised packages and funding methods. To ensure effective management of its projected growth, the company now seeks a Divisional Controller to administer a new sector of portfolios.

Principal responsibilities will include day to day accounting, the supervision of EDP systems, financial planning and cash management and loan interest rate co-ordination utilising money market products. Marketing support responsibilities will include undertaking

an active client liaison and it is likely therefore that the successful candidate will be looking for increased responsibility covering every aspect of a deal.

Candidates (aged 25-35) will probably be qualified ACA/ACCA and should possess a minimum of 3 years' in-depth experience of lease accounting. Applicants must be determined, self-motivated and able to communicate effectively with senior executives. Experience of Tenhill packages would be advantageous.

This is a challenging role providing a high level of exposure to senior management throughout the group and offers excellent opportunities for career progression. Interested applicants should send a comprehensive curriculum vitae to Gary Watson or Wayne Thomas at Michael Page Finance, Windsor Bridge House, 1 Brocas Street, Eton, Berkshire SL4 6BW. Quoting Ref 5504.



Michael Page Finance

International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

Financial Controller

Circa £24k plus Car
Surrey/Sussex Border

Rapid growth to a turnover of £20m in this highly regarded office design company, has created a new position for a qualified accountant.

In addition to developing and controlling a new computerised financial and management information system, the successful candidate will play a significant role in a young management team committed to sustained profitable growth.

Computer awareness, business acumen and the ability to motivate, are the key factors sought, although experience within a fast moving manufacturing environment would be an advantage.

Please write with a full career resume to: Ms. M. Carroll, Kornfort Systems Limited, Whitlie Way, Crawley, RH10 2RW.



FINANCIAL ANALYSIS MANAGER

RETAIL

N Home Counties

26-32

£25,000 + Car

Retail has proved to be one of the fastest growing sectors over the past few years. The substantial competition within this market has created unsurpassed opportunities for applying financial skills.

A requirement has arisen, within a retail support environment, for a professionally qualified individual to be involved with:

- Production of the annual and 3 year corporate plans including monitoring against targets
- Appraisal and review of major projects and the identification of areas of profit improvement
- Financial evaluation of the impact of planned strategies

- Preparation of formal presentations on major capital investment proposals.

The company is involved in an ongoing programme of expansion and candidates can expect good career opportunities within a major retail group.

Successful applicants will be qualified accountants, preferably with a business degree. Experience gained within a major corporation, not necessarily in the retail sector, would be an advantage.

For further information, please telephone Giles Daubeny on 01-437 0464, or write to him, enclosing brief details, at the address below.

ROBERT WALTERS ASSOCIATES

RECRUITMENT CONSULTANTS

Queens House, 1 Leicester Place London WC2H 7BP
Telephone: 01-437 0464

FINANCIAL CONTROLLER with BOARD POTENTIAL

N. Kent

c.£30,000 + Car

Our client is an ambitious medium sized company engaged in the marketing, distribution, servicing and financing of high technology based capital equipment.

Key to the continued successful growth of the organisation is the recruitment of a qualified accountant aged 35-45 who can demonstrate "hands on" industrial accounting experience and commercial flair.

As part of the general management team the successful applicant will be responsible for supplying a comprehensive and integrated accounting service, implementing and enhancing systems, minimising foreign currency exposure risks and providing the board with sound financial guidance.

This influential appointment offers full business involvement together with excellent scope for ongoing career development. For further information please contact Malcolm J. Hudson.

HUDSON SHRIBMAN

VERNON HSE-SICILIAN AVE-LONDON WC1A 2QH-TEL: 01-831 2323

FINANCIAL RECRUITMENT

Financial Director

North West

c £35,000, Car, Benefits

Our client is a respected and successful subsidiary of a major, multi-national group and a market leader in their field. They now seek to appoint a Financial Director who will provide a breadth and depth of functional leadership and contribute to the forward progress of the business.

Ideally aged in your thirties and an ACMA, you will be educated to degree level in a business related discipline and have several years experience in a senior position. Applications are invited from individuals who can demonstrate the ability to provide analytical and practical solutions in a manufacturing environment along with the commercial awareness to achieve objectives through influence and persuasion.

In return for your experience and commitment our client can offer an attractive salary, quality car and a range of large company benefits.

Applicants should forward a full C.V. and handwritten letter of application to: Mrs. D. Voice, Managing Director, Portland International Management Consultants Limited, Lloyd House, 18 Lloyd Street, Manchester M2 5WA. Tel: 061-834 9825. Interviews will be held locally.

Portland International
Management Consultants Limited



FINANCIAL ACCOUNTANT

To £30,000 + car + benefits

The Company, being a major subsidiary of Hambro Countrywide PLC, a quoted Public Company, whose business is in the Estate Agency/Financial Services sector is seeking to employ a mature qualified Accountant (male or female) to control its inhouse accounting bureau situated in Surrey. The bureau services the financial aspects of five of its subsidiaries embracing 190 house agency offices.

Reporting direct to the Holding Company the responsibilities include production of statutory accounts, monthly management accounts and budgeting all within limited time scales. Responsibilities will include the supervision of a large accounting staff and liaison with management at all levels.

The position is seen as being particularly attractive to applicants with the ability to communicate and command respect and is a senior appointment within the Group.

Apply in writing with a copy of your c.v. to -

Derek P Creffield
Hambro Countrywide PLC
Wilson's Corner
1-5 Ingrava Road
Brentwood
Essex CM15 5TB

FINANCIAL CONTROLLER



With an eye for the future
Circa 25k + Car + Bonus

Rodenstock U.K. is an autonomous subsidiary of Optische Werke G. Rodenstock, one of the largest and most respected ophthalmic manufacturers in the world.

The U.K. operation urgently seeks the services of a young qualified Accountant to provide the professional financial management for a highly marketing orientated company.

It is envisaged that the successful candidate will soon elevate to Board level.

Please write with full CV to:
Mrs. L. Bonnett, Personnel Officer,
Rodenstock U.K. Ltd., Springhead Road,
Northfleet, Kent DA11 6HU.



Manchester Business School
University of Manchester

CHAIR IN STRATEGIC MANAGEMENT

The University invites applications for a newly funded Chair in Strategic Management. The person appointed will join Professor D. F. Channon in developing a major research initiative in strategic management. The salary will be in the normal professional range with U.S.S. superannuation benefits.

Informal enquiries should be made to either Professor Channon or the Dean of the Faculty of Business Administration. Detailed applications (suitable for photocopying) containing the names of three referees should reach the Registrar, The University, Manchester M13 9PL (from whom further particulars may be obtained) before March 17th (Tel. 061-275 2028). Quota ref. 44/88/FT.

The University is an equal opportunities employer.

Financial Controller

To transform a traditional historical accounting department into a lead business function.

Southern England Process Manufacturing c.£30,000 + Car

Reporting to the Chief Executive, you will be responsible for leading a well organised technically competent department through a period of change.

Traditionally the emphasis has been upon financial accounting and statutory compliance and whilst this remains an important responsibility future demands will be upon the provision of a comprehensive range of information that will enable management to plan and control their activities. The role will also encompass a company wide responsibility for IT.

Our client is the UK subsidiary of a major international organisation and is itself a market leader in its specialist technical field with manufacturing assets on several UK sites.

The post should be attractive to finance professionals in their mid 30's who are looking to head the finance function of a medium to large manufacturing company, where they can utilise their management abilities in creating change. Candidates should be qualified accountants (preferably graduates) whose formative experience has been gained in a high quality organisation with well developed management accounting computer based systems.

My client offers a full range of employment benefits including relocation assistance to a most attractive area of Southern England.

Applicants of either sex should apply in confidence to Michael Johnson on (0962) 844242 (24-hour service) or write to Johnson Wilson & Partners Ltd., Clarendon House, Hyde Street, Winchester, Hampshire SO23 7DX quoting ref. 927.



Johnson Wilson & Partners

Recruitment Consultants



AMA GROUP

FINANCE DIRECTOR

New Malden,
Surrey

£35-40,000

+ car + profit share

Expanding rapidly both by acquisitions and by organic growth, AMA is engaged in the high technology area of the design, installation and maintenance of building services.

The increasing size and complexity of the group has created the need for a Group Finance Director who will improve controls and monitor performance in existing subsidiaries, and work with the Chairman on further acquisitions.

Applicants, preferably in their mid/late thirties, must be qualified accountants who should ideally have previous acquisitions experience. There is a strong preference for a background in construction or a related industry such as property development.

Please send a career résumé, including current salary and day-time telephone number, quoting ref: 3013, to G J Perkins, Executive Selection Division:

Touche Ross

Thames Inn House, 3/4 Holborn Circus, London EC1N 2HB.
Tel: 01 353 7361.

Finance Manager

Central London c£26,000 + Benefits

An excellent opportunity has arisen for an ambitious young finalist/newly qualified accountant, aged mid 20's, to join our client who is recognised as being one of the most advanced service Groups in the sector in which it operates.

The UK headquarters comprises a small tightly-knit team of professionals which reports to New York and has wide ranging corporate responsibilities which primarily include the controlling of multi-million dollar operations and investments.

As a direct result of promotions and continual developments within the Group, this role will be a key function within the corporate team, working closely with the Finance Director in London. It is an exciting and demanding post that will have financial reporting, treasury and tax strategy responsibilities along with many ad-hoc projects.

It is essential that candidates should have lively, energetic personalities, not only to be able to work daily with the top Group Management but also to progress within the Group. Good communicative skills are vital for this role.

Please telephone or write enclosing full curriculum vitae quoting ref: 318 to: Philip Cartwright FCMA, 97 Jermya Street, London SW1Y 6JE
Tel: 01-839 4572
Fax: 01-926 2836

**Cartwright
Hopkins**

FINANCIAL SELECTION AND SEARCH

DIRECTOR DE FINANZAS

MARBELLA, ESPARA

Nuestro cliente es una compañía del sector privado en el Reino Unido muy activa en adquisiciones que actualmente está dando mayor apoyo a su equipo de nivel gerencial superior con miras a flotación en 1991.

El negocio está expandiéndose rápidamente a través de adquisiciones y crecimiento orgánico en el área de seguridad y servicios afines que ofrece a sus clientes comerciales e individuales. Actualmente una parte importante de sus negocios se están llevando a cabo en España donde es la compañía de seguridad más importante en el área.

Existe actualmente la necesidad de cubrir el puesto de Director de Finanzas. Este es un puesto nuevo que será responsable de:

- desarrollar e implementar mejores controles de contabilidad y sistemas de información para la gerencia;
- preparación de presupuestos y pronósticos;
- flujo de caja más eficiente mediante control más efectivo de los deudores y los inventarios, y
- sobre todo, una participación importante en el tema de decisiones comerciales y pur lo tanto margenes de ingresos mayores, trabajando estrechamente con el Director General.

Los candidatos serán contadores titulados que pueden demostrar el enfoque comercial y habilidad para comunicaciones deseadas. Es indispensable que Ud. tenga dominio total tanto del español como del inglés.

La remuneración reflejara al alto nivel de este puesto, diseñada para atraer a un profesional de alto calibre.

Favor escribir confidencialmente con todos los detalles pertinentes indicando su remuneración actual a:

Goodall & Co
122-124 Regent Street
Londres W1R 5PE

Atencion del Sr. R. Bray

Head of Internal Audit

AGIP (N.A.M.E.) Ltd.

Jawaby Oil Service is part of the Libyan Oil and Petrochemical Industry and provides a total recruitment service to individual operating companies.

Our client, AGIP (N.A.M.E.) Ltd, a joint Libyan/Italian venture company, has a vacancy for the above position.

Responsible for supervising the company's affairs in accordance with fiscal laws and regulations. Candidates will be educated to degree level with at least 15 years' experience of which 5 years' will have been spent in an Auditing Department.

Excellent benefits include:-

- annual renewable contracts
- free accommodation
- airfare paid to point of origin
- medical insurance

Please write with full career details, including copies of certificates and a recent photograph, quoting ref. AF/20 to: Recruitment Co-ordinator, Umm Al-Jawaby Oil Service Co. Ltd., 33 Cavendish Square, London W1M 5HF.



JAWABY OIL SERVICE

Equity Sales in Paris Continental European Institutions

Our client, a major brokerage house in Paris, belonging to a leading international banking group, is seeking to recruit an Institutional Equity Salesperson.

Reporting directly to the Head of the Equities Department, the successful candidate will be in charge of selling the French Equity Market to Continental Institutions outside France.

This highly attractive position requires an excellent knowledge and understanding of major Continental Institutional Investors, strong interpersonal skills and self-motivation.

A good experience of the French Equity Market and knowledge of European languages would be a definite advantage.

Contact Antoine Kamphuis in Paris on 010.33.1.42.89.30.03 or write, enclosing a full C.V. to Michael Page France, 10 rue Jean Goujon, 75008 Paris, France.
(Quote Ref: AK 328 FT).



Michael Page France.
Specialist in Banking Recruitment

London Amsterdam Eindhoven Brussels Paris Lyon Sydney

Decision-making with Immediate Profit Impact KEY INVOLVEMENT IN BUSINESS MANAGEMENT

Age 28-33 yrs Mid-Surrey

The phrases 'commercially-minded' and 'full business involvement' often describe Finance opportunities. Here they are used in their fullest sense. This key BUSINESS FINANCE MANAGER will be working alongside Sales and Marketing and will be instrumental in those crucial business decisions which have immediate impact on the bottom-line profit.

In order to contribute to this Sales led environment (which provides a range of well-known consumer products in a rapidly growing and competitive market) it is essential that you can demonstrate the following:

- * An obvious ability to make and implement decisions on a rational and realistic basis.
- * A fast-thinking, broad business-mind with commercial acumen and the ability to perceive the wider and longer-term implications of decisions and strategies.
- * An easy ability to relate to an ever-changing and

£32k plus car & generous bens.

developing product environment. Immediate customer impact and excellent management qualities to develop your professional staff.

You will be a Qualified Accountant, although your technical abilities will be of lesser importance than your commercial and personal qualities.

You are likely to have previous experience of management accounting, planning and analysis, preferably within a large fast-moving product environment. However, you will now be looking to utilise this experience in a more proactive, commercial and decision-making role.

Do you feel that you have the true business qualities to respond to the above opportunity? If so, please telephone Karen Wilson BA, ACMA, on 01-491 3431 (or 0895 633429 evenings/weekends) as soon as possible. Alternatively, write to her at FMS, 14 Cork Street, London W1K 1PF enclosing a recent CV.

FMS

Search and Selection Specialists
for
Financial Management

Head of Management Accounting

LANCASHIRE, UP TO £30,000 (PACKAGE) + CAR

This profitable company is a well-known manufacturer of consumer durable goods. World-wide sales of its products, which include brand leaders, total £20 million. Considerable managerial and organisational change has recently taken place and this process is continuing across all business activities to meet ambitious growth objectives. Reporting to the Financial Director, the Head of Management Accounting will manage a team primarily responsible for producing management accounts, product costs and reviews of product

performance. The immediate task will be to identify the information required to manage the reshaped business and to implement the appropriate systems and procedures to ensure its timely production. This high-profile role offers a career move to an ambitious, creative and strong minded management accountant who enjoys the challenge of implementing change. You are likely to be in your early 30's and will already have held a responsible position in manufacturing industry. The job offers a high performer outstanding prospects

for career development.

Resumes please, which include a daytime telephone number and an indication of present salary to Peter Jones, Coopers & Lybrand Executive Resourcing Limited, Abacus Court, Minshull Street, Manchester M1 3ED, quoting ref. P169.

Executive Resourcing
Coopers & Lybrand

Finance Manager

Bedford

c£28,000 + Car

Our client, a high technology company within the aerospace industry, is at the leading edge of technological design and development. The Company is enjoying rapid worldwide acceptance of its products and organic growth of 50% per annum is currently being achieved. The future potential of the group is very exciting.

The opportunity now exists for a strong Finance Manager to join the group, within the main operating company and with group-wide responsibility for the efficient and effective running of its accounting function. With responsibility for a staff of 12, this position has a strong management flavour and significant development potential.

Applicants aged 27+ should be qualified accountants with strong technical accounting skills, be structured and

clear in the application of these skills and have the ability to deliver accurate and timely information. Previous experience in a manufacturing and/or contracting environment is desirable; and good management and communication skills are essential.

Please write enclosing a full CV and daytime telephone number, quoting Ref: 302 to Barry Ollier, BA, ACA, Whitehead Rice Ltd, 295 Regent Street, London W1R 8JH. Tel: 01-637 8736.

Whitehead Rice

MANAGEMENT SELECTION

CHIEF ACCOUNTANT

LEISURE

South Coast

£28,000 + benefits

An excellent opportunity for a qualified chartered accountant to make a mark in the leisure arm of a major UK company.

Reporting to the Financial Controller, the individual will have full responsibility for all aspects of the accounts department and a team of 60 people to manage. In addition to the production of accounts, cash management, and the control of capital expenditure, the incumbent will be expected to contribute to the commercial success of the business, as a key member of the financial management team.

You will be 32-42, ideally have a degree, as well as your chartered qualification, and be able to demonstrate at least six years of successful achievements in a fast-moving and large company environment. You will have experience of computer-based systems and ideally multi-national companies.

Please send a comprehensive career résumé including salary history and day-time telephone number, quoting ref.3012, to Bruce McKay, Executive Selection Division.

Touche Ross

Thames Inn House, 3/4 Holborn Circus, London EC1N 2RB.
Tel: 01-353 7361

MANAGEMENT ACCOUNTANT

The Penguin Group is looking for a Management Accountant to join its senior team based at our Harmondsworth Offices.

The work of the department is wide ranging and varied as would be expected in this large and expanding international publishing group.

The successful applicant will play a key role in the preparation of budgets and forecasts and all forms of investment appraisal used as an aid to decision making.

The requirement is for a recently qualified accountant with some commercial experience who is prepared to adopt a flexible approach in this challenging environment. A thorough knowledge of computer spreadsheet systems is essential.

Penguin offer an excellent benefits package including private health care, pension scheme, subsidised car and five weeks holiday. A company car will be provided with this position.

If you are interested in this position and would like an application form, please telephone 01-759 2460 (24 hours), quote reference FMA/009 and leave your name and address.

THE PENGUIN GROUP
We welcome applications from all sections of the community.

01-353 7361

FINANCE DIRECTOR

Circa £40,000 plus excellent benefits, including Share Options

An exceptional opportunity for a Qualified Accountant to join a rapidly expanding Company which controls a group of subsidiaries operating in three main areas:

1. The Motor Trade
2. The Leisure Industry
3. Property and Investment

The Company is currently preparing for Public flotation in 1989 and the position offered is a new appointment within the Group. The successful applicant will join the Main Board of Directors and initially will act as Company Secretary.

The requirements are:

- Age: Mid 30's/40's
- Experience: Good training in a senior position with Public Companies
- Ability: Thorough financial and treasury skills and the ability to grow with the Company
- Attitude: Hardworking, Good team member, Willingness to take on responsibility, Eagerness to develop skills and management techniques.

If you are looking for an opportunity to join a growth Company of the start of its life as a Public Company, and wish to make your final career change, please write with full career and personal details to: John Fowles, Chairman, Gowings Limited, The Grange, 18-21 Church Gate, Thatcham, Berks RG13 4PH. Telephone: 0635 64464



Corporate Accountant

Central London Hotels £33,000

Our client, a small, thriving international hotel group is looking to recruit a capable, computer literate accountant for the role of Corporate Accountant.

Reporting to the Director of Finance the position will take responsibility for the preparation of corporate accounts, treasury management, the provision of timely financial information together with the implementation of a computerised accounting reporting system. The nature of the role demands attention to detail and the ability to react to requests for information in a clear methodical manner.

The Company, which is continuing an ambitious rate of growth and aims to build some 20 hotels, is situated in prestigious offices in the vicinity of the River Thames and Blackfriars station.

Applicants for the post should be self-starters, methodical accountants, ideally ACA/FCA, aged 30-45 with hands-on experience of computer systems implementation and corporate reporting.

Interested candidates should send a comprehensive curriculum vitae, with salary details and quoting reference 7024 to:-

Jeff Cottrell
Pannell Kerr Forster Associates
New Garden House
78 Hatton Garden
LONDON EC1M 8JA

Pannell Kerr
Forster
Associates
MANAGEMENT CONSULTANTS

AMBITIOUS ACCOUNTANT

Plan for success
c.£19,000

Mercedes-Benz (UK) Limited is a direct subsidiary of Mercedes-Benz AG and a leading importer of quality cars and commercial vehicles.

We are seeking a high-calibre recently or part-qualified Accountant to lead our Planning Team based in our prestigious Milton Keynes head office. This is a challenging position, involving the preparation and evaluation of Business Plans and the exploration of profit opportunities, which will require both initiative and excellent communication skills. This post will allow you to develop your individual aptitudes and be the springboard for future advancement.

There is a considerable bias towards micro skills within this role and you should have an interest in and aptitude for analysing and developing financial systems. We offer excellent conditions of service including 21 days' holiday per year (rising with service), subsidised restaurant, pension scheme and exciting car purchase schemes and a relocation package will be offered where appropriate.

For an application form please telephone Glna Roger on Milton Keynes (0508) 688899 ext 2491.



Financial Accountant

Rapid Expansion Engineering Company

North London, Up To £25,000, Car

A division of a major Japanese multinational, this UK subsidiary is engaged in the sale of high quality precision engineered components with a turnover of £20 million. The organisation has achieved accelerated growth in the UK during the last decade, and a strengthening of the central finance team is now required. This new position reports directly to the senior finance executive within the UK and the role embraces the preparation and submission of budgets, financial reports and management accounting statements, with additional responsibility for working capital control and treasury management. You will also supervise a small, dedicated, experienced team and report extensively on commercial issues such as pricing strategy and sales performance analysis. Candidates, qualified accountants, must demonstrate an industrially based finance background incorporating management experience and exposure to computerised systems.

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a Personal History Form to, K.H. Thompson, Hoggett Bowers plc, George V Place, 4 Thames Avenue, WINDSOR, SLA 1QP, 0753-858851, Fax: 0753-853339, quoting Ref: N13084/FT.

Hoggett Bowers

BIRMINGHAM, BRISTOL, CAMBRIDGE, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM, SHEFFIELD, WINDSOR
A Member of Buss Arrow plc

FINANCIAL CONTROLLER

Excellent opening for commercially orientated Accountant with computer experience. A rapidly expanding company seeks an accountant to handle all aspects of financial and management accounting. Genuine career prospects. Salary 20-30k depending on age & experience.

Please contact: Multisecure Ltd - 01-208 1766

Finance Director

LEICESTER, \$25,000 + BONUS + CAR

This \$11 million turnover company has shown impressive organic and capitalistic growth in recent years. Part of a major industrial group, their engineered equipment leads the market in a leisure related sector. The future holds every prospect of continued success based on new product development and diversification.

As Finance Director you will join a small but experienced management team and will have wide ranging involvement in the day-to-day management of the business. The emphasis is on teamwork and high

control and you will have an important accounting and strategic role to play. The systems will need regular review and enhancement to cope with continued growth, whilst control of costs and effective financial planning will remain imperative.

A qualified accountant, you will already have managed the financial function in a medium sized manufacturing business. The position demands a practical but serious approach to financial management. The business is profitable and you can play your part in keeping it that way, as it continues to grow.

Resumes please, which include a daytime telephone number and an indication of present salary, to Peter Jones, Coopers & Lybrand Executive Resourcing Limited, Abchurch Court, 6 Minshull Street, Manchester M1 3ED, quoting ref. P167.

Executive Resourcing Coopers & Lybrand

Financial Director

Buckinghamshire c £30,000, Car, Benefits

Our client, a progressive manufacturing subsidiary of a major international group, has an excellent opportunity for an ambitious professional to make a major contribution to the management and future development of the Company.

Aged 30-35 and qualified to ACMA, you will be educated to degree level in a business related subject. A minimum of five years relevant post graduate experience will have seen your career progress to a senior finance position. Your experience of costing, budgeting, variance analysis and period-end routines will be vital assets to your success within this challenging environment. An ability to take a strategic view and contribute to the commercial progress of the business will also be required.

The attractive salary, bonus, quality car and extensive associated benefits offered reflect the importance our client attributes to this demanding, highly pressured role. Prospects are excellent for a pro-active, committed individual.

To apply please forward your application in your own handwriting enclosing a full C.V. to Mr. D. Voice, Managing Director, Portland International Management Consultants Limited, Lloyds House, 19 Lloyd Street, Manchester M2 5WA, Tel: 061-834 5825

Interviews will be held locally

Portland International Management Consultants Limited



FINANCE MANAGER AGE 25 - 35 LONDON

This is an excellent career opportunity to join the Management Team of this prestigious Private Hospital Complex.

The successful applicant will report directly to the Associate Executive Director/Finance and should be ACA or ACCA with at least two year's post-qualifying experience, preferably in the commercial field. Knowledge of a computerised financial accounts system and a determination to achieve deadlines are required as is the ability to supervise staff and communicate with all levels of management.

The Hospital offers an excellent working environment along with a generous salary and benefits package.

Please apply in confidence, enclosing a C.V. and salary details to Mr. Graham White, Personnel Director.

Humana Hospital Wellington

Tilbury

NEWLY QUALIFIED? MAKE THE FIRST STEP TO SUCCESS...

Company Accountant East Grinstead Up to £20,000+FXCar

The Tilbury Group is engaged in a wide range of construction activities which includes a rapidly expanding Property Development Division based at East Grinstead. Working closely with the Financial Director, this is a key position with responsibility for the production of management accounts, reports and budgets in addition to financial accounts. Successful candidates should be able to demonstrate a high level of computer systems knowledge and good interpersonal skills in order to liaise with Department Heads. A strong commercial awareness and the desire to progress will be rewarded with an excellent benefits package including bonus, fully expensed company car and low cost pension fund.

MID KENT

DIVISIONAL ACCOUNTANT £28,500+Car+Benefits

Multinational manufacturers for health and leisure industry seek young innovative Accountant for their thriving head office division. Reporting to MD - full responsibility for 3 financial staff, computerisation of the whole accounting system, and overseeing maintenance of timely deadlines whilst communicating effectively at all levels. A positive, enthusiastic approach, coupled with determination will be rewarded with an excellent career path in this major organisation to offer free health insurance, NCPSS and bonus scheme amongst their benefits.

Accountancy Personnel

Placing Accountants first

Hays

AN HR PERSONNEL SERVICES LIMITED COMPANY

Financial Accountant Salary Package circa £28,000

Trade Indemnity plc is a highly successful market leader in the field of Risk Management with a capitalisation in excess of £130 million.

Recent acquisitions, together with a major restructuring to cater for the demands of 1992 has created opportunities for people with drive and ambition who expect their career to grow within a dynamic environment.

We are currently seeking to recruit a Financial Accountant who will be responsible to the Financial Controller for the day to day management of the Company's financial accounting function.

The successful candidate in addition to being a qualified accountant, must possess first rate man-management skills, be computer literate and have good taxation experience.

If you feel that your personal ambitions and experience match these requirements please write in confidence with full career details to:

A.D. Sackling, Manager - Personnel
Trade Indemnity plc,
Trade Indemnity House,
12-34 Great Eastern Street,
London EC2A 3AX.

APPOINTMENTS

ADVERTISING

Appears every Wednesday and Thursday

for further information call 01-248 8000

Deirdre McCarthy ext 4177

Paul Maraviglia ext 4676

Elizabeth Rowan ext 3456

Patrick Williams ext 3694

Candida Raymond ext 3351

Patrick Sherriff ext 4627

J A C



ACCOUNTANCY OPPORTUNITIES JAPANESE CONNECTIONS

Chartered Accountant up to £25,000.

ACA/ACCA Qualified accountant is required by a large international merchant bank to be responsible for General Affairs/Settlements/Accounts Dept. You will supervise a team of 8 and will be reporting to D.M.D. Knowledge of computerised accounts is needed.

Account Manager £10k.

ACA/ACCA Qualified Accountant is sought by a newly established Import/Export Co. in Wimbledon. You will be in charge of 5 staff in computerised accounts (esp. IBM 6150). Experience in distribution business is an advantage.

Account Manager £20k.

An expanding retail co. in West End urgently need a qualified accountant to head their computerised accounts dept. using IBM 302.

If you can offer your experience to any of these positions please call

Irma Gill or David Hill on 01 796 4616 or 01 796 3132.

CHIEF ACCOUNTANT Early 30s to £40,000 neg + expat benefits - LUXEMBOURG

A new position has arisen within the head office of international banking group for a qualified accountant to undertake a key role with responsibility for the consolidated accounts of the group.

The successful candidate will have excellent man-management skills with good supervisory experience and the ability to control the entire accounting function handled by a team of 12.

For further information please telephone SANDRA CLARK on 377-5040 or write to her at:

LJC BANKING APPOINTMENTS

Devonshire House, 146 Bishopsgate, EC2M 4JX. 01-377 5040

GENERAL MANAGER INDUSTRIAL INVESTMENT COMPANY CAIRO, EGYPT.

The Company, which is capitalized at US\$100 million, seeks to fill the position of General Manager. Principal business activities are term lending and equity investment in industrial projects.

Applicants must have a University degree in Business Administration and proven track record in investment management and experience in an executive capacity with at least 20 years. An awareness of Egyptian economic and industrial affairs is essential.

The candidate should be fluent in both Arabic and English. Salary and benefits will be attractive and commensurate with experience.

Interested applicants are requested to send resumes and particulars within one month to

The Chairman of The Board, P.O. Box 141 Dokki, Cairo, Egypt.



Congratulations On Your Success In PE2 Now You've Done The Easy Bit... ... Leave The Rest To Us!

London	Kristin White ACA	01-831 2000	Leeds	Diane Forrester ACA	0532 450212
St. Albans	Jane Hayes ACA	0727 65813	Glasgow	Dean Gollings ACA	041-331 2597
Windsor	Susie Briggs ACA	0753 856151	Newcastle	Lindsay Sugden ACA	091-222 0545
Leatherhead	Tamar Hudson	0372 375661	Paris	Ivor Alex ACA	010 331 42 89 3003
Nottingham	Paul MacIldowie ACA	0602 483480	Lyon	Jerome Lancrenon	010 337 828 1604
Birmingham	Tony Hodgins ACA	021-643 6255	Brussels	Pierre Delahaye	010 322 347 0210
Bristol	Renny Hayes ACA	0272 276509	Amsterdam	Rob Vermaak	010 3120 266 776
Manchester	Rod Bateman ACA	061-228 0396	Eindhoven	Ed Hoebrechts	010 3140 433 735
			Sydney	Paul Lyons ACA	010 612 235 1488

Examination success opens up a highly complex range of opportunities to the Newly Qualified ACA. Making the right choice to ensure long-term career success demands exceptional skill and judgement. As you can see from the above, Michael Page Finance is well qualified to assist you in this process, as we fully understand the rigorous process you have just completed and our links with the international business community ensure that we can provide impartial advice and guidance on the widest range of potential alternatives. All you have to do is ring.

Newly Qualified ACAs

From £18,000 + Car + Benefits



So Much More Than Just Beer

- ▲ Holiday Inns International
- ▲ Crest Hotels
- ▲ Coral Racing
- ▲ Toby Restaurants
- ▲ Britvic Corona
- ▲ Hedges and Butler
- ▲ Alexis Lichine
- ▲ Augustus Barnett
- ▲ Bass Leisure
- ▲ Bass Export
- ▲ Delta Biotechnology
- ▲ 7000 British Pubs
- ▲ 13 Breweries.

With a turnover in excess of £3.7 billion, a listing as one of the biggest and best blue chip companies in the UK and committed to a vigorous policy of diversification and development, Bass is a truly international corporation.

Group Head Office ▲ Midlands

After a record breaking year and as a result of continued growth, an outstanding opportunity has arisen within the Group Finance function.

Reporting to the Financial Planning Manager, responsibilities will include the review of major investment projects proposed by operating companies, the evaluation of new product and business opportunities, involvement in the preparation of medium-term financial plans and the development of computer based financial modelling.

The role is exciting and diverse, providing the successful candidate with exposure to the most senior management of the Group as well as outside professional advisors.

Hotels & Restaurants Division ▲ Home Based For International Travel

With the Group's existing UK brand leader, Crest Hotels, combined with the recently acquired Holiday Inns International, the newly formed Bass Hotels and Restaurants Division has now over 150 locations Worldwide. To support this development a high calibre Senior International Auditor is required. Working as part of a small high profile team, you will travel extensively throughout Europe and the rest of the World including South America, Hong Kong, USA, China and Australia whilst gaining excellent exposure to sophisticated systems, commercial liaison with local and senior management and full involvement in operational reviews and ad hoc projects.

For each role a qualified ACA is required who can demonstrate commitment, initiative and strong interpersonal skills. The ability to perform well under pressure whilst maintaining a professional attitude is essential. In return the Group offers highly competitive packages and a flexible and responsive approach to career progression.

Interested applicants should contact Paul Toner of Michael Page Finance on 021-643 6255 (24 hours) or write enclosing a current cv to Bennetts Court, 6 Bennetts Hill, Birmingham B2 5ST.

MFP
Michael Page Finance
International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead
Birmingham Nottingham Manchester Leeds
Newcastle-upon-Tyne Glasgow & Worldwide



United Technologies ranks among the top twenty industrial corporations in the Fortune 500. It is a broad based designer and manufacturer of high technology products, including Pratt & Whitney aircraft engines, Sikorsky helicopters, Carrier air conditioning systems and Otis elevators. European operations have expanded rapidly with over 50 acquisitions and new ventures in the last 6 years; European sales are approaching US\$ 3 billion.

The European Audit Department, is recognised as a training ground for United Technologies senior financial management of the future. Its 12 members are drawn equally from public practice and from industry or commerce.

The active policy of Internal Advancement has resulted in 4 promotions to middle and senior management (line functions) in the last year.

As a result, there is further requirement for:

International Auditors

Around US\$35,000 Net + Car
Based in Brussels

They will be responsible for leading and participating in financial and operational audits of the European operations, and for drafting audit findings and presenting such findings to both local and divisional management.

Travel content is around 70% with return from assignments to homebase at weekends.

Candidates should ideally be Graduate Chartered Accountants or hold an MBA degree, aged 25-30 and have a minimum of 3 years' relevant experience. A second European language would be a distinct advantage.

In view of the increasing emphasis on integrated computer based systems in the operation of its entities, the Company would be particularly interested in candidates with an MIS background.

Additionally, there is a specific requirement for an Italian speaker, who, as an alternative to Brussels, could be based in Milan or Turin.

These positions represent an excellent opportunity for high calibre individuals seeking a first move out of the accounting profession, or alternatively, a second move within industry, to obtain considerable top level management exposure coupled with excellent career prospects in a top industrial multinational.

Interested candidates are invited to contact Thierry Raickman on 010.322.34702.10 or Terry Benson on London 01-831 0431 and/or send a comprehensive curriculum vitae to Thierry Raickman, Avenue Molière 262, 1060 Brussels.

MFP
Michael Page International
International Recruitment Consultants
London Amsterdam Eindhoven Brussels Antwerp Paris Lyon Sydney

Corporate Finance

Newly Qualified ACAs

£30,000 package

Our client is a leading UK merchant bank, with an impressive capital base and a worldwide banking network. The corporate finance department is one of the largest and most active in the City covering the full range of corporate financial activity.

* Mergers & Acquisitions * Floations

* Takeovers * Defence Work

The division has been extensively involved in the government's privatisation programme as well as acting as financial advisor to a wide range of organisations including major UK public and private companies.

An opportunity has now arisen for two Newly Qualified Accountants to join

this major corporate finance department. At the heart of their business is the quality of the service they provide for their clients. They will therefore only recruit first class individuals in line with the standards they have set themselves. To be considered for these roles you will need to be a qualified ACA from a 'Big 8' firm. An excellent academic track record combined with a confident and commercial approach is essential.

If you have a genuine interest in these roles, please call Penny Bramah on 01-831 2000 (evenings and weekends 01-871 0772) or write to her at Michael Page City, 39-41 Parker Street, London WC2B 5LH.

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Michael Page City
International Recruitment Consultants
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Recruitment Consultancy

Nationwide

£Excellent

MICHAEL PAGE GROUP PLC is the UK's leading executive recruitment group, with 13 offices in the UK and a further 6 in Europe and Australia. We enjoy "market leader" status in the fields of Accountancy, Marketing, City and Legal recruitment and have a new rapidly growing business in IT recruitment.

Our dramatic growth and outstanding success to date has been built on our policy of recruiting young professionals from the markets in which we operate, and training them in skills and disciplines of recruitment consultancy. Our consistent achievement of ambitious long-term

plans, coupled with the fact that all senior positions are filled internally ensures that career prospects for outstanding individuals are virtually unlimited.

If you are a qualified accountant, possessing a high degree of drive and determination, who is undeterred by the prospect of extremely hard work and who wants to work in an environment where success and reward are dependent purely on ability and performance, you should be ringing Dean Gollings ACA on 01-831 2000, or writing to him at Michael Page Finance, 39-41 Parker Street, London WC2B 5LH.

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London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

NEWLY QUALIFIED

ACCOUNTANCY APPOINTMENTS

NEWLY QUALIFIED



INTERNAL AUDIT OPPORTUNITIES S. E. ENGLAND - c£18k+benefits

General Accident Are you a young and ambitious Chartered Accountant with an interest in systems? Do you have the confidence in your abilities to instigate change? General Accident is one of the UK's major insurance companies and can offer you the opportunity to realise your potential in their fast-developing internal audit department. Seen as crucial to the continued effectiveness of the function, these positions present the chance to build a rewarding career in the financial services sector.

For further information contact: Accountancy Personnel, General Accident, 35 Museum Street, Ipswich IP1 1LZ. Tel: (0479) 215088

BLICK ROTHENBERG & NOBLE

When you started out, you wanted to become a Chartered Accountant. Have you ended up a chartered auditor?

Blick Rothenberg & Noble are a very professional medium sized London firm with high standards and an enviable private business sector client base.

If you are newly qualified and independently minded, join us for audit based but superbly rounded post qualification experience.

For further information contact: Accountancy Personnel, 14 Great Castle Street, Oxford Circus, London W1 7AD. Tel: 01-693 9186



NEWLY/RECENTLY QUALIFIEDS-BIRMINGHAM

If you are looking to define a prosperous career with a progressive, ambitious practice, then look no further.

Constantly expanding a diverse client base, whilst offering a high quality service the practice is committed to satisfying your vocational ambitions and providing attractive rewards. The growth and success of the firm has created the need for energetic accountants with the ability to make rapid progress.

For further information contact: Accountancy Personnel, 14 Temple St., Birmingham B2 9BQ. Tel: 021 643 6291



OPPORTUNITIES IN EAGLE STAR

Cheltenham/London £ Excellent Salaries & Benefits

Eagle Star is one of the most highly regarded insurance and financial services Groups in the UK - we insure about 7 million people worldwide and manage funds approaching £10b.

Career opportunities exist for ambitious professionals at our head offices. If you are a qualified Accountant seeking a new challenge we'd like to hear from you.

In addition to our competitive salaries we offer a comprehensive range of benefits including preferential mortgage rates and a non-contributory pension scheme. We will also provide an excellent relocation package if necessary.

For further information contact: Accountancy Personnel, 37 St Georges Road, Cheltenham GL50 3DL. Tel: 0242 22927



COUNTRY LIFE-CITY CHALLENGE

Suffolk £14,500-16,000

Andrew Moore & Co. Chartered Accountants

Andrew Moore & Co. a three partner local firm established 1877 is a 'country practice' with a difference; its client base has a strong corporate bias covering an exciting cross-section of the local economy.

A front line management position exists for a highly motivated individual with partnership prospects potential and some interest in systems work.

Generous salary package and genuine medium term partnership if you take up this challenge. Fling us now!

For further information contact: Accountancy Personnel, 36 Museum Street, Ipswich IP1 1LZ. Tel: (0479) 215088

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VITA WORLDWIDE 21st CENTURY MATERIALS AND TECHNOLOGY TODAY BRITISH VITA PLC

INSIDE Goldberg goes for Tootal control

Abe Goldberg is weaving an intricate web in his attempt to acquire Tootal, UK textile group and one of the world's biggest manufacturers of industrial sewing thread.

Investors tread warily in a golden minefield. There is no doubt about the Philippines' great potential for gold mining, but the activities of communist guerrillas in the country are causing most potential investors to tread warily.

The high price of success. Nationale-Nederlanden, the Dutch insurer, has been snapping up foreign companies for 15 years and today derives more than half of its premiums from abroad.

Bundesbank guessing game. Will the Bundesbank act or not? Worries about whether the West German central bank will raise interest rates at today's council meeting have been weighing on the stock market for weeks.

Banesto shares slip on return. Spain's Banco Espanol de Credito (Banesto) has agreed to have spent Ptas250m (\$8.1m) in a bid to support its shares on the Spanish bourse.

Spain's biggest bank but watched, despite the market intervention, a Ptas10 drop in its share price to Ptas4,740. Page 18

Market Statistics

Table with 2 columns: Index/Category and Value/Change. Includes London share index, FTSE 100, and various commodity prices.

Chief price changes yesterday

Table with 2 columns: Company Name and Price Change. Lists companies like ASW Holdings, Allianz, and Dresdner Bank with their respective price movements.

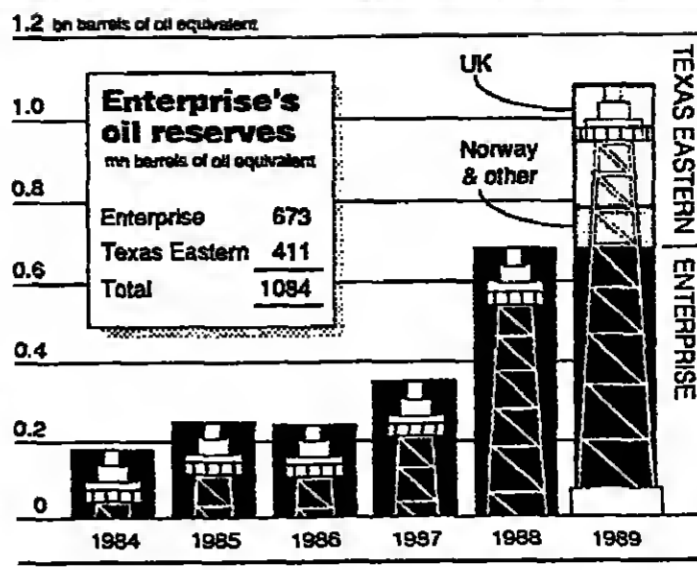
Enterprise leaps into North Sea big league

Steven Butler looks at the wide-ranging repercussions expected from yesterday's Texas Eastern deal

ENTERPRISE OIL yesterday became a billion barrel oil company, ending 12 months of breath-taking acquisitions and oil discoveries that have boosted its reserves more than 2 1/2 times.

Ever since Enterprise was cobbled together in 1984 it has had to put up with a succession of big, unfriendly, stakes

Acquaintance, the French oil group. The most likely reason Enterprise shares rose when share-holders were asked to shell out 250p for the deal is that it brought another reminder of predators waiting in the wings.



Hearne: head of a billion barrel oil company

result of the deal, jump by 61 per cent, and its current production stands to double to 131,000 barrels a day.

The deal gives Enterprise a substantial presence outside the UK for the first time, with 103m barrels of oil, and 136m cubic feet of gas, mainly in Norway, but also with some in Indonesia.

Allianz, Dresdner in marketing pact

By Haig Simonian in Munich

ALLIANZ, Europe's biggest insurance group, and Dresdner Bank, West Germany's second-biggest bank, have agreed to sell a wide range of each other's banking and insurance products in central Germany following the decision in December by Deutsche Bank, Germany's biggest bank to enter the life insurance business.

Strong growth shown by non-life insurers

By Nick Bunker in London

IN REAL terms 1988 turned out to be one of the most profitable years the UK's major property and liability insurers have experienced since the Second World War.

Nokia posts sharp profits fall

By Olli Virtanen in Helsinki

NOKIA, the Finnish industrial conglomerate which has been struggling to absorb big acquisitions in electronics, yesterday reported a steep decline in profits. It plans to reduce its dividend from FMs3.80 a share in 1987 to FMs2.80.

Pre-tax earnings treble at WPP

By Nikki Tait in London

WPP, the British marketing services company which took over the larger New York-based JWT Group 18 months ago in one of the bull market's most ambitious bids yesterday announced pre-tax profits almost trebled from £14.1m to £40.3m in 1988.

Benckiser

Joh. A. Benckiser GmbH has sold its European Industrial Cleaners Division to Laporte GmbH, a subsidiary of Laporte Industries (Holdings) PLC.

We acted as financial advisers to Joh. A. Benckiser GmbH.

Joh. A. Benckiser GmbH.

ERM GASSEN & Co

December 1988

INTERNATIONAL COMPANIES AND FINANCE

Wereldhave jumps 16% on Peachey takeover

By Our Financial Staff

WERELDHAVE, the Dutch property group which last year took over Peachey Properties of the UK, yesterday reported a 16 per cent rise in earnings and said the restructuring of its British portfolio was "progressing very satisfactorily".

The company lifted its direct investment result from £1 67.9m (\$33m) in 1987 to £1 79m last year, and the portfolio rose from £1 1.6bn to £1 2.5bn, largely as a result of the Peachey acquisition.

Net asset value per share rose by £1 1.67 to £1 170.03, and the company proposes a total dividend for the year of £1 8 in cash, plus a 2 per cent bonus issue of ordinary shares.

Wereldhave said the market for commercial property in Brussels, London, Paris and several Spanish and West German cities continued to develop favourably, but the Dutch and US markets were less strong.

The UK restructuring began two months ago and many smaller properties from the trading portfolio had since been sold with proceeds above year-end valuations.

Gross rental income last year rose from £1 138.2m to £1 158m.

Sixth year of improving fortunes for Woolworth

By Karen Zagor in New York

F.W. WOOLWORTH, the US retailer which has revived its flagging operations by adding a string of specialist stores, yesterday reported a sixth year of improved fortunes.

Net income for the fourth quarter to January 28 improved 10 per cent to \$14m or \$2.23 a share from \$13m or \$2 the previous year on sales which grew by 14 per cent to \$2.55bn from \$2.24bn.

Specialty store revenues jumped 28 per cent and general merchandise revenues increased by 7.1 per cent.

For the full year, profits rose 15 per cent to \$28m or \$4.47 from \$25m or \$3.81 while sales

increased 13 per cent to \$8.05bn from \$7.15bn.

Specialty revenues for the period improved 24 per cent and general merchandise revenues rose by 6.8 per cent. Foreign revenues, expressed in US dollars, increased 14 per cent, and domestic sales by 12 per cent.

Operating profits of Woolworth stores in the US improved to \$108m in the year from \$96m a year earlier. In 1987, profits for the US stores slipped by \$1m from \$82m. The Canadian division rose to \$83m from \$82m, but operating profits for the West German unit fell \$3m to \$70m.

Operating profits from Kinney stores in the US rose \$17m to \$220m and its stores in Canada and Australia added \$8m in operating profits to \$45m.

During the year Woolworth opened or acquired 1,184 stores and closed 214.

Harold Sells, chairman and chief executive said: "Overall, the economic outlook for 1989 appears quite favourable for both our specialty and general merchandise operations worldwide."

Shares in the company were trading up 3/4 at \$53 3/4 yesterday morning on the New York Stock Exchange.

Moulinex completes employee buy-out

By George Graham in Paris

MOULINEX, the French kitchen equipment group, has completed the buy-out operation which will pass control to its management and employees.

The operation enables the group's personnel to take over a 45 per cent stake in Moulinex - with double voting rights giving 69 per cent voting control of the company - for FF240m (\$38.7m). The shares currently belong to Finap, the personal holding of Mr Jean Mantelet, Moulinex's 88 year old founder.

Over 70 per cent of Moulinex's employees have subscribed to the buy-out in a series of holding companies, which will control the Finap stake through the newly created Financière Moulinex.

The Credit Lyonnais bank is financing FF240m of the purchase price in a series of loans of FF140m and a 12 year loan of FF100m. In addition, its investment subsidiary Clivest will take a 5 per cent stake in Financière Moulinex, and will provide liquidity for employees needing to realise their investment because of retirement, disability or death.

Just over 25 per cent of Financière Moulinex's capital will be in the hands of a "founders" company, including the chairman, the finance director and the sales director of the Moulinex group. Double voting rights will give the "founders" 51 per cent control.

The remainder of Financière Moulinex is divided between three grades of management, with 39 per cent of the capital in total, and other employees, with 31 per cent.

Banesto supports its stock in wake of failed merger

By Peter Bruce in Madrid

SPAIN'S Banco Espanol de Credito (Banesto), is believed to have spent Ptas20m (\$8.07m) supporting its shares on the Spanish bourse yesterday as trading reopened in its stock following the collapse on Friday of plans to merge with Banco Central and so create Spain's biggest bank.

The two banks had been holding their share prices equal since last October, but despite Banesto's support buying yesterday, its shares fell Ptas10 to Ptas1,740 while Banco Central closed at Ptas1,760, which is where they were when trading was suspended on Friday.

Brokers said Banesto bought 74,000 shares, virtually the entire amount offered, to calm nervous investors.

Both banks formally called off the merger late on Tuesday, leaving Banesto owning 5.88 per cent of treasury stock accumulated through support buying since October. Some analysts

dispute that figure and suggest the bank could own as much as 10 per cent of itself. It also emerged yesterday that both Banesto and Banco Central had included provisions and reserves, possibly worth more than Ptas200bn in their 1989 accounts which may have to be accounted for again this year.

This arises because both banks revalued selected old assets and assumed that the Government would excuse payment of capital gains tax on most of the "new" assets to encourage the merger.

But because the deal has collapsed, the money they thought they had does not exist and the tax breaks will not happen.

Quite how Banco Central plans to cope with this could not be clarified yesterday. Banesto, however, has revealed that its gross asset revaluation was worth Ptas121.4bn.

Assuming it would have this money, tax free, to play with, it showed pensions and other provisions worth Ptas25m and a further Ptas20m in reserves in its 1988 accounts. It is also known that Banco Central, using money it assumed would be available, made provisions worth Ptas30m in its accounts for last year.

The provisions are obligatory, and both banks will now need Bank of Spain permission for an extension of time in which to make them properly. Banesto appears confident it can do so this year and officials at the bank suggest that the non-existent Ptas20m in reserves can be made up by issuing new debt.

Mr Mario Conde, Banesto's president, may find this difficult, however, because of continuing domestic and foreign unease about the amount of treasury stock the bank owns. He is thought to be planning to disburse this among bank staff and friendly clients.

Bull chairman to retire in June

By Our Financial Staff

MR JACQUES Stern, chairman of state-owned Compagnie des Machines Bull, the French state-owned computer group, is expected to resign this year. It is thought likely that Mr Stern, 56, will be replaced by the group's present managing director, Mr Francis Lorentz.

Chairmen of French state-owned groups have renewable mandates for a three-year term of office. Mr Stern, chairman since Bull's nationalisation in 1982, asked the government earlier this year if he could retire when his current term expires in June.

Bull said "Jacques Stern has expressed his intention to find time for his personal activities



Jacques Stern: bowing out without compromising the continuity of Bull's activities. Mr Lorentz, 46, has been

closely associated with the group's strategy as Stern's right-hand man for the last five years.

Since its nationalisation, Bull has slowly pulled out of the red, recovering from a 1983 group net loss of FF225m (\$101m) to post a first-half 1988 profit of FF75m on consolidated sales of FF28.6bn.

Under Stern, Bull has developed a major role in the US. Last December it boosted its stake in computer group Honeywell Bull - which has now dropped the Honeywell from its name - to a controlling 65 per cent. It runs the US venture with Honeywell of the US and Japan's NEC.

Trinkaus keeps steady dividend

By Our Financial Staff

TRINKAUS & Burkhart, the West German bank which is 70 per cent owned by Midland Bank of the UK, said that its 1988 net income rose 3.6 per cent from a year earlier, while operating earnings rose faster.

The bank will keep its 1988 dividend steady at DM9 a share.

Partial operating income, which includes interest and fee profit less spending on personnel and equipment, dropped 12.9 per cent to DM72.1m (\$39.6m) from DM63.9m because of lower commission earnings, the bank said in a letter to shareholders.

Rabobank up on strong lending

By Laura Raun in Amsterdam

RABOBANK, the Dutch co-operative bank, boosted its 1988 earnings by 12 per cent, as its lending business flourished and its costs grew only moderately.

Net income jumped to F1 778m (\$337.6m) from F1 692m in 1987, fuelled by record new loans to the agricultural industry, which is the bank's mainstay.

Credit to small and medium-sized business also expanded briskly.

Rabobank, the Netherlands' second largest bank in asset terms, is the third largest bank to report robust earnings for 1988. Amro and NMB Bank have also raised profits by 22.5 and 36 per cent respectively,

aided by greater than expected economic expansion in the Netherlands.

Mr H.H. Wijffels, chairman of Rabobank, predicted yesterday that profits would continue to improve this year. Lending, which is the co-operative bank's core activity, is expected to remain at about the 1988 level, he added.

Mr Wijffels also said he was confident that savings - the bank's prime funding source - would expand more rapidly in 1989.

Growth was disappointing last year, because banks were required to report customers' interest income to the Dutch tax authorities for the first time, and depositors balked.

Rabobank's overall revenues climbed 7 per cent to F1 4.83bn in 1988 from F1 4.5bn the year before. Interest income added 4 per cent, as higher volumes offset the squeeze on interest-rate margins.

Commission and fee income advanced 12 per cent, while other income surged 55 per cent, largely due to new fees for clearing payments. Expenses edged up by just 4 per cent, thanks to automation and slower growth in personnel.

Loan-loss provisions were fixed by 10 per cent to F1 625m from F1 477m due to the larger loan portfolio. The balance-sheet total gained 11 per cent to F1 161.6bn.

Triumph-Adler back in black

By Our Financial Staff

TRIUMPH-ADLER, the Nuremberg-based typewriter and computer subsidiary of Olivetti, said it had returned to profit in 1988 for the first time since 1979.

The company did not give a specific 1988 profit but said in an interim report that it was at least DM10m (\$5.49m). Group turnover fell in 1988 to DM560m from DM594m.

Triumph-Adler made a 1987 group net loss of DM271m. Olivetti bought Triumph-Adler from Volkswagen in 1986.

Norway's big three paper companies plan to merge

By Karen Fossell in Oslo

NORWAY'S three largest newspaper and cellulose producers, Norske Skogindustrier, Follum Fabrikker and Tofte Industrier, plan to merge to strengthen their joint capital base.

The proposed merger would make one of the largest industrial tie-ups in Norway. The three companies had a combined turnover of Nkr7bn (\$1bn) last year and profits of Nkr700m.

The intention is also to strengthen Norway's forest products industry by creating a group with a size and structure able to compete internationally, while increasing the competitiveness of the three companies, according to Norske Skog.

The three companies' boards will consider the plan on

March 9. The recommended share exchange is being worked out, and a decision on the deal is expected in mid-May.

The three companies, which hold shares in each other, have been co-operating for several years in sales, distribution, raw materials procurement and technical development.

Norske Skog and Follum, Norway's two largest newspaper makers, have a combined annual production capacity of 800,000 tonnes, and a Norske Skog subsidiary produces 75,000 tonnes annually of so-called "mechanical pulp". Norske Skog produces sawn and planed timber, board and interior components. Tofte has an annual capacity of 600,000 tonnes for cellulose and "other" paper grades.

Unigestion net income rises 3%

UNIGESTION, the Swiss finance company which took control of Banca della Svizzera Italiana (BSI) with Park Tower of New York last year, reported a 3 per cent increase in net income to SF13.7m (\$8.8m),

an unchanged dividend of SF20 a share, and SF5 a share on 98,000 bearer shares issued last year.

A 23 per cent increase in operating income to SF14m was achieved largely through an extraordinary income from selling its old office building.

Unigestion's net income rose 3 per cent to SF13.7m (\$8.8m), an unchanged dividend of SF20 a share, and SF5 a share on 98,000 bearer shares issued last year. A 23 per cent increase in operating income to SF14m was achieved largely through an extraordinary income from selling its old office building.

Bergen bank to raise Nkr510m in rights issue

By Karen Fossell

BERGEN BANK, one of Norway's top three banks, plans a one-for-five rights issue to increase its share capital by Nkr289.7m to Nkr1.75bn (\$289.7m) and strengthen its capital ratio.

Based on Tuesday's closing price of Nkr176 for the bank's shares, the issue would raise about Nkr510m. The price for the new issue will be fixed at a supervisory board meeting on March 14.

Initially Bergen had planned to launch a Nkr500m share issue last autumn but was forced to shelve the plan because of weaker bank share prices and because Den norske Creditbank (DnC) launched a Nkr380m equity just weeks earlier.

Yesterday Bergen Bank said the issue for bank shares "had improved considerably in 1988".

Last year, the minority Labour government passed a law that requires banks' share capital to be at least 6.5 per cent of their assets. Yesterday Bergen Bank said it already had achieved a figure of 7 per cent, but that it wanted a higher ratio to give it greater freedom of action.

Nevertheless the company, which is controlled by Old Mutual, the country's largest life insurer, suffered an increase in the number and size of motor accident claims.

Gross premium income increased to Nkr78m (\$15.6m) in the six months to December from Nkr74m. The underwriting surplus rose to Nkr3.4m from Nkr1.5m, and a strong increase in investment income led to an increase in the interim pre-tax profit to Nkr9.1m from Nkr7.1m. Net earnings rose to 102 cents a share from 57 cents and the interim dividend has been raised to 12 cents from 6.5 cents.

SA insurer boosted by claims fall

By Jim Jones

AN ABSENCE of fire claims, an unusually low incidence of weather-related claims and a slight improvement in crime losses more than doubled interim underwriting profit at Mutual & Federal, the South African short-term insurer.

Nevertheless the company, which is controlled by Old Mutual, the country's largest life insurer, suffered an increase in the number and size of motor accident claims.

Gross premium income increased to R378m (\$15.8m) in the six months to December from R343m. The underwriting surplus rose to R39.4m from R15.2m, and a strong increase in investment income led to an increase in the interim pre-tax profit to R79.1m from R41.1m. Net earnings rose to 102 cents a share from 57 cents and the interim dividend has been raised to 12 cents from 6.5 cents.

Along with its competitors, Mutual & Federal has cut premium rates and announced no-claim bonuses to compete for market share.

Mr Ken Siggers, the managing director, warns against excessive rate cutting, but Johannesburg insurance analysts believe companies will cut rates further now that the vacuum filled by AA Mutual's collapse in 1987 has been filled.

In the last financial year earnings totalled 138.4 cents, and dividend for the full year was 22.5 cents.

Japan tyre makers race ahead

By Clive Wolfman in Tokyo

TWO OF the three largest tyre manufacturers in Japan have reported 40 per cent increases in their pre-tax profits for last year.

Sanitomo Rubber Industries, which incorporates the nucleus of the former British Dunlop group, showed profits of ¥8.9bn (\$69.4m) against ¥6.3bn. This came amid an 8.5 per cent increase in sales of automotive tyres to ¥188.5bn, helped by strong personal consumption.

Sales of flooring and other industrial materials continued to grow rapidly for the fourth successive year, by 21 per cent, while sales of sporting goods increased by 14.5 per cent.

Sales of non-tyre products accounted for 23.4 per cent of total sales which rose 10.8 per cent to ¥211m.

The annual dividend will be raised by ¥15 to ¥7.5 per share for the year, as a one-off gesture to mark the company's 80th anniversary.

Sanitomo's forecast for the current year is cautious, reflecting fears that demand for tyres will slow down in the second half of the year and nervousness about commodity prices. It forecasts a pre-tax profit of ¥9bn, up 2.1 per cent, on sales up 4.5 per cent to ¥230bn.

Pre-tax profits of Yokohama Rubber, which ranks second behind the market leader Bridgestone, were ¥11.7bn compared with ¥8.3bn on sales up 8.4 per cent to ¥245bn. The main factors behind the gains were the surge in revenues from replacement tyres, industrial rubber products and aircraft products and higher returns from its financial assets. Tyre sales rose by 5.9 per cent and industrial rubber sales by 12.7 per cent.

Dividend payments are to be increased by ¥1 per share bringing the total payments for the year to ¥6. In the current year, sales are forecast to rise by 4.5 per cent to ¥256bn and pre-tax profits by 1.1 per cent to ¥11.5bn.

Evergo Holdings, a Hong Kong investment company, has recorded net profits of HK\$126m for the six months to last October compared with a loss of HK\$72m a year earlier, agencies report.

It attributed the earnings mainly to its share of profits at its Chinese Estates subsidiary, and the sale of properties.

Turnover was more than halved to HK\$989m.

In the 1987 first half, the group suffered securities trading losses from the stock market crash. An interim dividend is being restored at 1.25 cents per share.

Sime Darby HK leaps by 66%

By Michael Murray in Hong Kong

SIME DARBY Hong Kong, the locally listed conglomerate with interests including vehicle distribution, engineering and printing, lifted net profits from operations by 66 per cent to HK\$396.6m (US\$12.2m) for the six months to December.

Extraordinary profits of HK\$202.7m resulting from property sales boosted attributable earnings to HK\$289.3m. Turnover rose 46 per cent to HK\$1.47bn.

Strong sales were achieved in the group's lucrative motor sales franchise, which includes BMW and Mitsubishi, and unit

profits grew by 15 per cent with profit margins being maintained.

The construction equipment division had a very strong first half, benefiting from the territory's current boom in construction activity.

The engineering division ran at a loss, hampered by spiralling wages in a very tight labour market, while the group's newly acquired subsidiary Lever Printing performed reasonably.

An interim dividend of 8 cents per share has been declared compared to a previous 6 cents.

MANUFACTURERS HANOVER advertisement for Lire 30,000,000,000 Revolving Credit Facility, arranged by Manufacturers Hanover Finanziaria S.p.A. MILANO.

Nissan in venture with US group advertisement by John Griffiths, mentioning Nissan Motor of Japan and US-owned Structural Dynamics Research Corporation (SDRC).

Japan tyre makers race ahead advertisement by Clive Wolfman in Tokyo, mentioning Sanitomo Rubber Industries and Yokohama Rubber.

SA insurer boosted by claims fall advertisement by Jim Jones, mentioning Mutual & Federal, a South African short-term insurer.

JB-B DOLLAR-BAER advertisement for JULIUS BAER U.S. DOLLAR BOND FUND LTD. GRAND CAYMAN, including dividend announcement details.

JB-B D-MARK-BAER advertisement for JULIUS BAER D-MARK BOND FUND LTD. GRAND CAYMAN, including dividend announcement details.

Copper price rise lifts Messina advertisement by Jim Jones in Johannesburg, mentioning higher copper prices and the Messina mining company.

Better margins help SA builder advertisement by Jim Jones, mentioning Murray & Roberts, one of South Africa's largest civil engineering and construction groups.

INTERNATIONAL COMPANIES AND FINANCE

Intel studies feasibility of manufacturing in Europe

By Terry Dodsworth, Industrial Editor

INTEL, the Californian semiconductor company, is examining the feasibility of manufacturing in Europe following the European Commission's controversial ruling on local content requirements.

Commission ruling. This defines a European-made chip as one that has gone through the diffusion process - the most critical step in the manufacturing operation - within the EC.

The importance of this ruling is to place pressure on chip users to buy from suppliers who diffuse in Europe.

This is particularly true for a variety of Japanese electronics equipment manufacturers, which can only meet anti-dumping requirements if they purchase a large proportion of their components in the region.

Following the EC action, several of the top Japanese chip producers have begun to look for sites to set up diffusion plants in the Community.

Intel, however, is faced with a particularly difficult decision because microprocessor plants require heavier investment than standard memory or logic chip facilities.

The local content issue has come to a head over the past few weeks because of a recent

\$100m for lower technology facilities.

At the same time, Intel is one of the world's leading producers of specialist Epron memory chips, which cannot be made alongside microprocessors.

Under the EC rules, the company would therefore need to set up two facilities to qualify for the local content requirements for both categories of chips.

Mr Maloney emphasises that the way in which the European initiative will be applied is still far from clear. At the moment, he says, the company's customers are happy with their supplies from Intel, but he concedes that this could change.

Intel also has a strong position in defence in western Europe. As the designer of the key microprocessor for International Business Machines' personal computers, it has carved out a broadly-based market in the region, where it generates sales of about \$900m and employs approximately 1,000.

Canadian banks show mixed results

By David Owen in Toronto

TWO MORE Canadian banks, Bank of Montreal and Bank of Nova Scotia, reported their first-quarter earnings and to each case, their performance was influenced by provisions for possible credit losses.

Bank of Montreal's decision to lift its provisions to C\$92m (US\$77m) in the quarter ended January 31, from C\$46.5m a year earlier, contributed to a slight year-on-year decline in net income.

Bank of Nova Scotia, by contrast, virtually halved its quarterly provision to C\$9.2m from C\$18.2m in the previous year. Therefore the bank was able to report record profits for the quarter.

Bank of Montreal earned C\$150.2m or C\$1.30 a share in the latest period, up from C\$131.1m or C\$1.19 for a year ago.

Net interest income rose 14 per cent to C\$639.8m. But non-interest revenue fell 2.6 per cent to C\$274.2m.

The bank attributed this decline to a sharp reduction in the contribution of Nesbitt Thomson, its investment dealer subsidiary, lower foreign exchange revenues and the impact of the weaker US dollar on the translation of revenues from Chicago-based Harris Bankcorp.

Harris' first-quarter income declined to US\$17.5m from US\$24.5m a year ago, largely due to the settlement of a outstanding US\$10.6m legal claim.

In the final quarter last year, said Mr Frehner, the parent bank was confronted with problems connected with Co-op, the German retail concern. The total SBC commitment is some SFr400m, made up of loans, liquidity aid and a 27 per cent stake in the Frankfurt company's capital. The corresponding risks, however, are said to be fully covered by substantial provisions.

Columbia Pictures rises on bid hopes

By James Buchan in New York

STOCK in Columbia Pictures rose for the third day running yesterday amid some excitement in Hollywood and on Wall Street that a big foreign company would buy the celebrated motion picture studio.

Speculation continued to concentrate on Sony, the giant Japanese group, which is known to be interested in buying the studio as a source of entertainment software for its consumer electronics business.

Both Sony and Coca-Cola, the giant soft drinks company which owns 49 per cent of Columbia, have refused to comment this week on a possible deal.

But Columbia Pictures common stock, which ended last week's trading at \$14 1/4, rose 3/4 to \$17 1/4 to value the whole company at \$1.9bn.

Wall Street investment bankers are vigorously attempting to further a deal. There have been reports of interest from Matsushita Electric, which owns the Panasonic consumer electronics group, and L'Oréal.

the French consumer products company.

Early last year, Sony spent \$2bn buying the big and successful record business of CBS. The company's strategy, which has been widely applauded, is to build a bridgehead into entertainment "software" to protect future markets of hardware or equipment. Industry executives say that last year Sony came very close to buying MGM/UA, the remnants of two Hollywood studios assembled by Mr Kirk Kerkorian, a celebrated California deal-maker.

The deal apparently collapsed because Mr Kerkorian refused to part with MGM's well-known roaring lion logo.

Columbia Pictures, which consists of entertainment properties assembled by Coke since 1982, is a more valuable and healthy business than MGM/UA, executives say. But Coke has no need for cash and is apparently out seeking a buyer, to the frustration of Wall Street bankers.

AMENDED NOTICE
crédit foncier de france
¥ 15,000,000,000
Guaranteed Floating Rate Notes Due 1997
For the six months
28th February 1989 to 31st August 1989
In accordance with the provisions of the Notes, notice is hereby given that the rate of interest has been fixed at 4 1/2 per cent per annum, and that the interest payable on the Interest Payment Date 31st August 1989 against Coupon No. 8 will be: ¥ 24,997 per ¥ 1,000,000 and ¥ 246,972 per ¥ 10,000,000.
The Industrial Bank of Japan, Limited
Agent Bank

£85,000,000
BANQUE INDOSUEZ
Floating Rate Notes Due 1991
Interest Rate 13 1/16% per annum
Interest Period 28th February 1989 to 30th May 1989
Interest Amount per £5,000 Note due 30th May 1989 £169.07
Credit Suisse First Boston Limited
Agent Bank

Bank of Tokyo (Curaçao) Holding N.V.
£30,000,000
Guaranteed Floating Rate Notes Due 1990
unconditionally guaranteed by
The Bank of Tokyo, Ltd.
In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the three months period 28th February, 1989 to 30th May, 1989, has been fixed at 13 1/16 per cent per annum. Coupon No. 22 will therefore be payable on 30th May, 1989 at £1,690.67 per coupon from Notes of £50,000 nominal and £169.07 per coupon from Notes of £5,000 nominal.
S.G. Warburg & Co. Ltd.
Agent Bank

Swiss Bank Corp hits record

By John Wickes in Zurich

NET PROFITS of Swiss Bank Corporation, the country's second largest bank, rose to a record SFr775.1m (\$494.1m) last year, an increase of 3.5 per cent.

The balance-sheet total expanded by 5.4 per cent to SFr154.1bn, primarily because of the stronger dollar.

The board is to propose an unchanged dividend of SFr13 per share and participation certificate.

Mr Walter Frehner, the management chairman, said last year had been better than had been expected.

While net commissions rose by 1.7 per cent to SFr1.26bn, the net-interest total improved by 8.1 per cent to SFr1.31bn. Earnings from securities went

up 8.9 per cent to SFr493.6m, those from foreign-exchange and precious-metals trading by 6.6 per cent to SFr140.8m, and income from participations by 21.5 per cent to SFr97m.

SBC's investment banking arm in London, incurred a loss of £21m (\$35.5m) and the Savory Millin subsidiary, which has since been merged with SBCI London, one of £8m. The SBCI company in New York recorded a \$20m loss, and the Hong Kong and Tokyo operations \$3m.

Of the London losses, Mr Andrew Large, the general manager, pointed out SBCI had lost £27m in 1987 and Savory Millin had been at around break-even.

SBC's investment banking operations, however, were profitable in Switzerland and Germany, the Netherlands and France in 1988. Mr Frehner said the New York and Far Eastern SBCI operations should show a profit this year and London would at least break even.

In the final quarter last year, said Mr Frehner, the parent bank was confronted with problems connected with Co-op, the German retail concern. The total SBC commitment is some SFr400m, made up of loans, liquidity aid and a 27 per cent stake in the Frankfurt company's capital. The corresponding risks, however, are said to be fully covered by substantial provisions.

GM pays extra \$1bn for Hughes

By Karen Zagor in New York

GENERAL MOTORS, the world's largest car manufacturer, is to pay an extra \$1bn to buy the Hughes Aircraft Company in 1989.

The deal, announced on Tuesday, closes a dispute with the Howard Hughes Medical Institute, which is a minority owner of Hughes Aircraft and has been unhappy with its performance under GM management.

The extra payment shows the lingering problems GM is

facing from its diversification into high technology in the mid-1980s. Two years ago, GM announced it would be paying over \$750m to Mr Ross Perot to buy his departure from Electronic Data Systems, which GM bought in 1984.

GM acquired Hughes Aircraft for \$2.7bn in cash and 100m shares of GM's newly created class H stock. GM promised the institute that if the class H stock were trading at under \$30 by the end of this year, it would pay the difference. GM H was yesterday

morning trading at \$26 1/4.

Under the terms of the latest agreement, GM will buy 30m class H shares from HHMI for \$675m in cash and \$300m in notes. The institute will also be able to sell 50m shares to GM at a guaranteed \$30 a share between 1981 and 1986. Alternatively GM will buy 30m shares at \$35 and not more than \$37.50.

Mr Roger Smith, GM's chairman, said there would be no material impact on earnings and the payments could be comfortably handled by GM.

INTERNATIONAL APPOINTMENTS

Pardee promoted to top US post at Yamaichi

MR SCOTT E. Pardee, 52, is to be named co-chairman of the US unit of Yamaichi Securities, one of Japan's biggest brokers.

Mr Shoji Hattori, the 51-year-old president of Yamaichi International (America), will become the chairman of Yamaichi and remain chief executive. Mr Genji Sugiyama, 44 and currently head of Yamaichi's Hong Kong operations, will be named president. Mr Tarō Yamada, Yamaichi's interim chairman and chairman of the firm's London-based European operations, will continue in his British post.

Mr Yamada assumed the temporary chairmanship last year when his predecessor returned to Japan as part of the firm's normal rotation of top executives.

The promotion to co-chairman makes Mr Pardee, at present the company's vice chairman and a former senior official at the Federal Reserve Bank of New York, the highest ranking American in a Japanese securities firm. It also represents the first time an American has been appointed to the top management position at a Japanese financial institution.

Mr Hattori said that Mr Pardee will be only the second American to hold the title of chairman at a US subsidiary of a major Japanese company - in the 1980s Sony's US unit was headed by an American. Mr Pardee said that most of Yamaichi's US staff is from the US.

A TOP executive shuffle has taken place at Midland Doherty, Toronto, Canada's largest retail brokerage house.

Midland has hired Mr James Mair, 44, former retail sales chief at Merrill Lynch, the large US securities house, to replace its two top executives.

Mr Mair takes over as president of the brokerage company from Mr Philip Holby, 57, as chairman. Mr Holby's departure

surprised Bay Street.

Mr Mair left Merrill last September after resisting cutbacks in the firm's operations. He said that Midland will continue to expand its retail business.

Mr David Weidman, 63, retiring chairman of Midland's Doherty Financial, the public-traded parent. The company said that Mr Holby will "pursue his personal interests" and it had been decided not to renew Mr Campbell's three-year contract.

MERCANTILE BANCORP announced that Mr Thomas H. Jacobsen has been appointed president and chief executive. He succeeds Mr Donald E. Lassar, who plans to retire.

Mr Jacobsen is the former vice chairman of Barnett Banks.

Mercantile also said that following its April 27 annual meeting, Mr Jacobsen will be named to the additional position of chairman, succeeding Mr Lassar.

LONG ISLAND Lighting has named Mr Anthony F. Earley Jr. president and chief operating officer. Mr Earley, currently Lilco's executive vice president and general counsel, succeeds Mr Russell C. Youngdahl, who is retiring.

3M announced that Mr Joseph Mr Warren, 53, senior managing director of 3M Italia since 1984, has been appointed vice president of 3M Europe. He is also appointed a member of the 3m management committee. In his new assignment, he will be based at the offices of 3M Europe in Brussels.

Mr Warren replaces Mr Harry Hammerly, who is taking up the position of executive vice president of the industrial and electronic sector of 3M Company, based in St Paul, Minnesota. Mr Warren joined 3M in 1969.

LIT America, the brokerage and clearing services concern,

Golan quits Cannon for new group

MR MENAHEM GOLAN, the Israeli-born film producer and distributor, is leaving the troubled Cannon Group which he took over with his cousin, Mr Yoram Globus, in 1979, writes Karen Zagor in New York.

Mr Golan, 58, is to head a new film production company which has already received a pledge of at least \$50 million from Cannon towards initial costs. Cannon has also agreed to finance and produce up to 17 pictures a year from Mr Golan's new company at an

average budget of \$8m apiece.

Mr Golan will have complete administrative and creative control over the new company, but Cannon will have worldwide distribution rights for the pictures. Mr Golan will receive 30 per cent of net profits from each film.

This announcement is neither an offer to sell nor a solicitation of an offer to buy these securities. The offer is made only by the Prospectus.

\$250,000,000
INTERNATIONAL PROPERTY FUND
A European and United States Real Property Investment Fund
Listed on the Luxembourg Stock Exchanges
Organized by
AMERICAN CONTINENTAL PROPERTIES GROUP
New York · Paris · Geneva · Madrid · Rome
and
KREDIETBANK, N.V.
Brussels
December 21, 1988
*Member of The Securities Association

GRANVILLE SPONSORED SECURITIES table with columns for Issue, Date, Original, Type, Price, Change, % Chg, Yield, % Yield

THE FOOD INDUSTRY
The Financial Times proposes to publish this survey on:
18th April 1989
For a full editorial synopsis and advertisement details, please contact:
Jonathan Wallis on 01-248 8000 ext 3565
or write to him at:
Braeken House
10 Cannon Street
London
EC4A 4BY

Standard Bank Import and Export Finance Company Limited
\$50,000,000
Guaranteed Floating Rate Notes due 1992.
Deductibility and interest payment as per prospectus of interest by
The Standard Bank of South Africa Limited
In accordance with the provisions of the Notes notice is hereby given that the rate of interest for the three months 28th February 1989 to 30th May 1989 has been fixed at 13 1/16 per cent and the interest payable on the relevant interest payment date, 30th May 1989, will be £169.85 per £5,000 Note.
Agent Bank:
Standard Chartered Merchant Bank Limited, London.

FINANSIERINGSINSTITUTTET FOR INDUSTRI & HÅNDVÆRK A/S
7 7/8% DM 30,000,000.- Bonds of 1984/1989
- Private Placement -
Redemption as per March 15, 1989
According to § 3 of the Terms and Conditions of the Bonds all Bonds will be redeemed at par on March 15, 1989.
The Bonds will be paid at
Commonbank Aktienegelschaft, Frankfurt/Main and its branch offices in the Federal Republic of Germany including Berlin (West).
The Bonds shall cease to bear interest as per March 14, 1989. The coupons as per March 15, 1989 will be paid separately.
Copenhagen, February 1989
Finansieringsinstitutet for Industri & Håndværk A/S

Weekly net asset value
Tokyo Pacific Holdings (Seaboard) N.V.
as at 27/2 was US\$ 192.58
Listed on the Amsterdam Stock Exchange
Information:
Pfeffer, Halding & Pfeiffer N.V.

Vertical text on the left margin: MARCH 1989, stock, ger, en bank to NKr510n, Fossil, BANK, top three, share, and other financial news snippets.

Income and expenditure figures harm Treasuries

By Janet Bush in New York and Katharine Campbell in London

US TREASURY bonds yesterday came under renewed selling pressure after two days of relative calm which followed the increase in the discount rate last Friday.

At the close, prices stood as much as 1/4 point lower and the Treasury's benchmark long bond was quoted 1/2 point down for a yield of 9.17 per cent.

In early trading, bonds had managed gains of as much as 1/4 point due to strength in the dollar.

Later, prices slipped back despite persistent dollar stability after the release of figures for January personal income and expenditure which provided evidence of substantial wage rises but also a sharp increase in the level of personal saving.

Personal income rose by 1.5 per cent, a larger rise than forecast, including a substantial 1.2 per cent increase in the wages and salaries component.

Bond prices were steadily eroded throughout the session which was nevertheless fairly quiet because of speculation that a further rise in West German interest rates might emerge from today's meeting of the Bundesbank's policy-making council.

CURRENCY FACTORS held the attention of the UK gilt-edged securities market

Table with columns: Country, Bond Type, Price, Yield, etc. Includes UK GILTS, US TREASURY, JAPAN, GERMANY, FRANCE, CANADA, NETHERLANDS, AUSTRALIA.

BENCHMARK GOVERNMENT BONDS

Table with columns: Country, Bond Type, Price, Yield, etc. Includes UK GILTS, US TREASURY, JAPAN, GERMANY, FRANCE, CANADA, NETHERLANDS, AUSTRALIA.

FT-ACTUARIES SHARE INDICES

Table with columns: Index No., Index Name, Index Value, etc. Includes EQUITY GROUPS & SUB-SECTIONS, INDUSTRIAL GROUP (1987), OIL & GAS (1987), FINANCIAL GROUP (1987), BANKS (1987), INSURANCE (1987), PROPERTY (1987), FT-SE 100 SHARE INDEX.

FIXED INTEREST

Table with columns: Index No., Index Name, Index Value, etc. Includes AVERAGE GROSS REDEMPTION YIELDS, BRITISH GOVERNMENT, CORPORATE BONDS, FOREIGN GOVERNMENT, BANKS, INSURANCE, PROPERTY, FT-SE 100 SHARE INDEX.

Dai-ichi Kangyo sets up bonds unit in US

By Janet Bush in New York

DAI-ICHI Kangyo Bank, Japan's largest commercial bank, said yesterday it has set up a brokerage subsidiary in New York to deal in and underwrite US Treasury bonds.

The subsidiary, DKB Securities, is expected to start trading in the summer and employ 15 to 20 people by the end of this year, according to Mr Masahiro Yagi, its president.

Commercial banks, both US and foreign, are allowed to trade in and underwrite government bonds and other eligible securities such as general obligation bonds.

Mr Yagi said that the bank had no plans at present to apply for the US Federal Reserve for powers to write corporate debt under section 20 of the 1933 Glass-Steagall Act, although he said that this might be a possibility in the future as those powers become more widely available.

The Fed recently authorised five leading US commercial banks to underwrite all forms of debt subject to their compliance with various regulatory and capital adequacy rules, a decision being challenged in the courts by the Securities Industry Association.

Dai-ichi Kangyo said in Tokyo that it planned to expand its business gradually as the barriers between investment and commercial banking in the US are removed.

Mr Yagi said DKB Securities would not deal in equities.

Finnish banks to issue MTNs

By Ulla Virkanen in Helsinki

FINLAND'S leading commercial banks, Kansallis-Osake-Pankki, Union Bank of Finland and Postipankki, will jointly launch the country's first medium-term note (MTN) programme.

Beginning next Monday, each bank will initially issue FIM500m worth of MTNs, but in 12 months, the banks estimate, the programme is expected to reach FIM10bn.

Growing pains afflict Nat-Ned

Laura Raun on a Dutch insurer's quandary over takeover policy

Nationale-Nederlanden might better be called Internationale-Nederlanden. The Dutch insurer has been snapping up foreign companies for 15 years and today derives more than half of its premiums from abroad.

Now Nat-Ned is a victim of its own success, caught between the need to absorb its acquisitions and yet stay poised for further takeovers or perhaps even a merger.

Highly profitable life insurance is covering the steep costs of generating new business in such promising markets as the Far East and southern Europe. But prospects for life business in the Netherlands - the most profitable country - are uncertain, and a major turnaround in the company's non-life business must still be consolidated.

If Nat-Ned wants to speed up rather sluggish earnings growth, then more takeovers may be on the cards.

A merger costs time," explains Mr Jacob Van Rijn, the new chairman of Nat-Ned. "But if a very nice bride came along we would consider buying such a company."

Nat-Ned is the Netherlands' largest European non-life insurance company, with premium income of Fl 11.8bn (\$5.75bn) and net income of Fl 700m in 1987. It is based in The Hague and results from more than a century of Dutch mergers.

Nat-Ned reflects the acquisitive nature of the whole Dutch industry. Long before 1992 became the symbol of European unification, Dutch insur-



Jacob Van Rijn: might go for a very nice bride

ers were pushing into Southern Europe in search of faster-growing markets than their own over-insured one.

Aegon and Amey, the second and third-largest insurers, generate even more premium income abroad than Nat-Ned. In the free-wheeling Dutch market, stiff competition has ensured high efficiencies. All three boast attractive returns on shareholders' equity of between 10 and 15 per cent and Nat-Ned's expense ratio is an enviable low 22.3 per cent.

In Nat-Ned's future expansion, top priority goes to the Far East, over that a big drive into the US has culminated in the \$400m purchase of Southland Life, historical links with Asia, dating back a century, are being used now to set up greenfield activities in Japan, South Korea and Taiwan, which will hopefully pave the

way for eventual acquisitions. Late last month, it announced a one-for-10 rights issue to raise Fl 750m to strengthen its balance sheet. The issue was priced at Fl 67.

The Dutch insurer is striving for a balanced global spread of premium income of roughly one third from Europe, one third from North America and one third from the rest of the world, notably the Far East.

Now the split is apparently around 55 per cent in Europe, 27 per cent in North America and 15 per cent in the Far East.

Like most other financial institutions, Nat-Ned is amenable to a merger if the conditions are right. Mr Van Rijn, who took over as chairman on January 1, explained that a potential partner would have to be of similar size, command a strong base and possess complementary foreign operations.

"We are not in a hurry," he stressed repeatedly during an interview that excluded competitors about Nat-Ned's position and prospects. "Nat-Ned's coverage of the world means we don't have to merge... But, in the long run, it could be advantageous for both."

British, German and Swiss insurers are favoured, but American are not excluded, he continued, noting similarities in business culture. Among UK insurers, Commercial Union Assurance would seem to be one of the most likely candidates. It is comparable in size, a leader at home and one of the most international of the UK com-

panies. The volatile Mr Van Rijn said marriage to a Dutch bank is another option after Dutch law is relaxed to allow cross ownership between banks and insurance companies.

Mr Van Rijn, 59, who has spent his career at Nat-Ned, believes in open communication, decentralised management and "no surprises." Nat-Ned's corporate culture has long stressed locally hired managers who are carefully trained and given autonomy.

Nat-Ned has a better balance of life and non-life insurance than any competitor, according to Mr Van Rijn. Life insurance accounts for 53 per cent of total revenue and non-life for 38 per cent, based on 1987 figures.

Life business in the Netherlands is enjoying a boomlet ahead of a major fiscal reform for insurance companies and policy holders. But a proliferation of productions and heightened competition from foreign insurers are expected to trim profit margins in coming years.

The reform package will raise the tax burden, but Nat-Ned alone among Dutch insurers has secured a concession for that purpose. Mr Van Rijn insists that non-life business has now structurally returned to the black after years in the red. He says the industry's treacherously cyclical nature is smoothing out.

Looking ahead, Mr Van Rijn says: "We're investing in the future. We must balance the expectations of shareholders with opportunities we have."

C Itoh in Y112bn placement

By Our Financial Staff

C. ITOH, the leading Japanese trading house, is to launch a share issue this month to raise funds for its operations and to repay borrowings.

The public placement of 100m new shares will represent some 7.6 per cent of its expanded capital and, on current market values, would be worth Y112bn (\$835m).

The company confirmed the plan after the close of trading on the Tokyo Stock Exchange yesterday, when its shares fell Y40 to stand at Y1,120. The move was foreshadowed by a local press report.

The offer will be led by Nikko Securities, Itoh's main broker, but will include a minority underwriting role for four foreign houses - Jardine Fleming (Securities), SBCI Securities (Asia), DB Capital Markets (Asia) and Morgan Stanley International.

It will bring Itoh's outstanding equity to 1.31bn shares. Pricing will be decided ahead of the three-day subscription period which opens on March 20. Payment is due on April 1, Y40 to stand at Y1,120. The move was foreshadowed by a local press report.

an industry group representing underwriters at 35 brokerage houses said that new stock issues by Japanese companies would reach a record in the year just ending. By yesterday, it added, their firms had taken on underwriting business on behalf of 211 companies issuing Y1,115.4bn in new securities.

The previous year, 125 offerings offered new stock worth Y1,972.6bn.

The doubling in the value of equity issued reflects not only the recent strength of the Tokyo market but also the volume of equity issued by banks.

Raine seeks \$50,000 facility

By Norma Cohen

RAINE Industries has asked Barclays de Zoete Wedd to arrange a five-year \$50,000 multi-option facility incorporating a tender panel to bid for short-term sterling acceptances or multi-currency cash advances.

The facility will be underwritten by a syndicate of banks providing a standby commitment for a five-year term.

Raine has also mandated Midland Montagu to arrange a complementary \$50,000 sterling commercial paper programme.

LONDON MARKET STATISTICS

RISES AND FALLS YESTERDAY

Table with columns: British Funds, Industrials, Financial and Properties, etc. Includes Rises and Falls columns.

LONDON RECENT ISSUES

Table with columns: Issue Name, Amount, Date, etc. Includes EQUITIES and FIXED INTEREST STOCKS.

RIGHTS OFFERS

Table with columns: Issue Name, Amount, Date, etc. Includes EQUITIES and FIXED INTEREST STOCKS.

LONDON TRADED OPTIONS

Large table with columns: Option Name, Call/Put, etc. Includes DEALINGS IN TRADED OPTIONS, CALLS, PUTS, and FT-SE INDEX FUTURE CONTRACTS.

UK COMPANY NEWS

UK non-life business behind CU 19% advance

By Nick Banker

REMARKABLE levels of profitability in the UK's non-life insurance market, especially for household and industrial fire insurance, helped Commercial Union, the composite insurer, to a 19 per cent increase in annual pre-tax profits to £201.8m.

This was in line with a forecast of £202m from County Nat-West WoodMac, the stockbroker. CU surprised the City though with an unexpectedly large increase in the final dividend to 11.75p, giving a total 1988 dividend of 19p, up 19 per cent.

Mr Tony Broad, chief executive, also revealed that this month CU will meet Mr John Spalving, managing director of Adelaide Steamship, which now holds 10 per cent of CU after stake-building since mid-1987. Mr Spalving has given no clear indication of his intentions.

The year's outcome was dominated by the strong performance from the UK at the peak of its underwriting cycle, where CU achieved a £40.6m pure underwriting profit on its non-life business, compared with only £1.5m in 1987, the year of the October hurricane.

Worldwide, the underwriting result was a loss of £129m on total premiums of £2.19bn. But there were life profits of £33.7m, investment income of £23.1m, fed by strongly posi-

tive cash-flow and higher interest rates, and associated companies earnings of £12.2m.

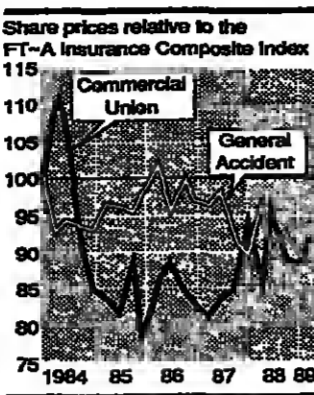
The company maintained its position as one of the composite insurer's two most efficient users of capital, the other being Royal Indemnity.

The buoyant UK result looks to have been due mainly to a combination of an unusually low incidence of weather claims, plus last year's premium increases for household insurance, and a commercial fire market only just teetering on the brink of industry-wide price-cutting.

Two striking figures were that in the last quarter of 1988, claims and expenses totalled only 69.2 per cent of CU's £42.5m of household premiums, while in industrial fire business the percentage was just 73.7 per cent.

But there was clear evidence of an upward trend in third-party damages awards following motor accidents, reflecting a Europe-wide trend.

In the last quarter of 1988 claims and expenses totalled 127.7 per cent of CU's £23.2m of private motor insurance premiums. On commercial motor policies the percentage was unusually high at 121.5 per cent.



CU is still paying the penalty for its ill-fated US expansion drives in the 1970s and early 1980s, with a US pre-tax operating loss of £15m.

It is being held back by its share of losses from state-run insurance pools in the US, plus costs of reserving against run-offs of old claims, but Mr Tony Wynn, general manager (finance and investments) said these problems were lessening.

CU said: "Our US strategy of concentrating on the more stable small to medium risk sectors enable average rate increases for the year to be obtained seven per cent in both personal and commercial lines." See Lex.

Two Splash directors to resign after accepting Astra offer

By David Waller

A FURIOUS boardroom row broke out yesterday at Splash Products, the T-shirt company and cartoon character merchandiser facing an unwelcome £14m bid from Astra Trust.

Two directors of the company, Mr Alastair McEwen and Mr Tim Massey, were asked to resign from the board after they went against the chairman's recommendation to turn down the bid.

The duo put out a statement saying that they were not consulted before Splash rejected the bid on Monday, and declared their intention to vote their holdings - 7.33 per cent of the shares - in favour of the bid.

Together with 14.9 per cent of the shares already owned by Astra and a further 9.9 per cent committed to the bid, this gives the engineering, property and financial services group 22.13 per cent of its target.

The two dissenting directors said that they spoke to Mr Robert Ballinger, Splash chairman, at 10 am on Monday, making it clear that they were available for consultation throughout the morning.

According to their version of events, there was no comeback from Mr Ballinger, and the statement urging shareholders to reject the bid went out at 11.47 pm, three minutes before they knew anything about it.

Splash disagreed with this, saying that it gave the two directors an opportunity to make their views clear, but that they failed to do so.

Mr Ballinger claimed that Astra lacked the management skills to run Astra and deplored the fact that there was no cash alternative to Astra's six-for-one share offer.

UTC concert party amends Clogan stake

By Ray Bashford

A concert party led by United Trust & Credit, the financial services group, has acquired a 49.5 per cent stake in Clogan Gold Mines, the USM-quoted Australian mining company.

UTC said it had acquired the 38 per cent stake held by Brerley Investments for £26m in cash and shares.

However, in its results for the six months to September 30, NZI reported losses of NZ\$180m (\$94m), connected in part with NZI's exposure to corporate defaults linked to the collapse of Rothwells, the Australian merchant bank. This left GA with the task of helping to rebuild NZI's balance sheet by taking up most of a planned rights issue for NZ\$298m.

In the event, this never happened. Following the discovery of accounting problems which had caused an unusual loss of NZ\$13m in NZI's life assurance operations, the issue was scrapped a little more than a week ago.

The offer had been declared unconditional as to acceptances but this no longer stands. The offer now becomes conditional upon 50 per cent acceptances being received.

The concert party comprises UTC (4m shares), two directors of UTC (2m shares each), Finecorp, an Australian merchant bank (4.47m) and clients of UTC (170,000).

Local London

Friest Mariani, property group, posted its formal offer document to shareholders in Local London Group, the business centre company for which Mariani has made a £110.5m bid. Mariani owns 20.25 per cent of its target with acceptances of 29.99 per cent.

Mr Textiles' taunting of Tootal

Alice Rawsthorn on Abe Goldberg's desire to control the UK group

SINCE THE start of the year Mr Abe Goldberg has been embroiled in an elaborate, expensive - and doubtless entertaining - game of taunting the board of Tootal. The Australian industrialist now holds 22 per cent of the UK textile group, for which he staged an unsuccessful bid four years ago.

He told the Financial Times yesterday that his objective was to control Tootal. However, given that Tootal has been swift to spurn his overtures, a hostile bid looks like his only hope of winning control.

Mr Goldberg said that the funding for such a bid would be readily available: "There are lots of banks ready to lend us the money."

All that remains, he said, was for him to decide whether or not to move.

The attraction of Tootal to Mr Goldberg is that it offers an opportunity for him to broaden the base of his textile business - which already dominates the market in Australia - by providing a platform for expansion into Europe.

Mr Goldberg has worked in textiles ever since he arrived in Australia, at the age of 18 in the late 1940s, as a penniless emigrant from his native Germany. In true rags-to-riches tradition, he began his business by saving over a knitting machine in his own backyard.

Today, at the age of 58, he presides over an empire embracing almost every area of Australian textiles from spinning to swimsuits. Linter, the company controlling his textile interests, holds a dominant share of almost all its markets. It made operating profits (after tax) of A\$36.8m (£16.8m) on sales of A\$467.3m in the year to March 31 1988.

His influence in the industry has won him the title of "Mr Textiles" in Australia. Mr Goldberg, a softly-spoken man whose voice still bears the mark of his middle European origins, is swift to emphasise his commitment to the industry. He thereby distances himself from the corporate chieftains - the London stockmarket usually associates with his competitors.

But his penchant for shuffling assets from company to company - and from public to private status - has also earned him the title of "Square Dancer" in the Australian investment community.

Three years ago "Square Dancer" sold control of his textile companies to Mr Basil Sellers' AFP Investments. He bought it back last year for the substantially lower sum of A\$300m.

Mr Goldberg's problem is that Linter is now so big that it has no scope for further growth in Australia. It also

faces the political threat of government proposals to liberalise the tariff structure that protects the Australian textiles industry. Similar proposals have failed in the past, but Linter's business would be jeopardised if they succeed in the future.

Linter has been forced to look outside Australia for future growth. Last summer Mr Goldberg identified the US, where he already has a small shirt company, and the UK as the most attractive areas for investment. He settled for the UK and turned his attention to Tootal again.

Last November he instructed Mr Czeronow, the London broker that advised him in the 1985 bid, to buy shares in Tootal. At the end of December he disclosed a 9.3 per cent holding in the group.

Mr Goldberg carried on buying a few weeks ago he is mooted a merger with the Tootal board, whereby the UK group would take control of his Australian textile interests in return for a significant stake - about a third - of the equity.

Mr Goldberg bought yet more shares. Earlier this week he increased his holding to 22.3

per cent. So far, he says, the investment has been financed from his own resources.

Tootal's shares have risen from around 100p in early December - before he disclosed his interest - to 133 1/4p yesterday. This capitalises the company at £300m, compared

with the £128m that Mr Goldberg offered four years ago. Ms Julia Blake, textiles analyst at Barclays de Zoete Wedd, estimates that he would have to pay 150p a share, or £47.7m.

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Apricot lifts its stake in DDT

By Clay Harris

APRICOT COMPUTERS, the Birmingham-based personal computer manufacturer, has raised its stake in DDT Group to 29.75 per cent by buying a 10 per cent holding from Mr Ian Whitford, a director of the computer maintenance contractor.

The move was described as "aggressive" by Mr Neil Spence, DDT finance director. Asked if his company planned to bid for DDT, Mr Simon Hunt, Apricot's deputy chief executive, said: "Currently we are holding this stake as investment."

Apricot had bought the shares at 85p after being

offered them by Mr Whitford. Mr Hunt said DDT shares yesterday rose 3p to 110p, to give the company a market value of 57.1m.

Mr Whitford, managing director of DDT's small manufacturing subsidiary Data Design Techniques, is likely to be encouraged to leave the board after the unexpected shares disposal. He still owns 4.48 per cent of DDT.

Apricot has signalled its intention to move into third-party maintenance business, recently buying a small company which it declines to name but which has annual turnover

of a few hundred thousand pounds.

DDT's pre-tax profits fell by 38 per cent to £567,000 in the year to March 31 1988. At the interim stage of the current year, it showed a marginal improvement to £116,000, although trading profit actually fell from the comparable six months.

Apricot's initial 13 per cent holding, bought in February 1986, had originally been owned by a former DDT director, Mr David Hunt. In the autumn, Apricot raised the stake to just short of 20 per cent.

Also going into Impaca's is Smurfit's 30 per cent stake in Papelega Navarra, a Spanish manufacturer of paper and corrugated cardboard, acquired for £12m.

The shuffling of interests will depress the level of pre-tax profits. Smurfit otherwise would have reported. However, the company will recoup about £30m in cash if the assets change hands at the same prices for which they were bought.

Smurfit said yesterday that Impaca would become the European counterpart to its North American subsidiary.

However, a number of Smurfit's existing continental interests, including the Spanish carton manufacturer Industrial Cartonera, will not go into Impaca.

Smurfit said Cundell would be a significant outlet for the higher quality papers to be produced by Impaca's Balaguer mill. The association with Navarra would give Impaca strategic control of two of Europe's six kraftliner mills.

Granville together with Security Pacific Eurofinance is making available to Laggate total finance of about £10.7m.

On current trading, Hunter said recent indications were broadly favourable and results for the year ending last month should be satisfactory. But the restructuring of the fruit operation had had a dampening effect on profits. Last time it made pre-tax profits of £4.82m on turnover of £164m.

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UK COMPANY NEWS

Tax turnaround boosts Enterprise

By Jean Marshall

A 45 PER CENT increase in net profits from £60.7m to £87.4m was yesterday announced by Enterprise Oil, the oil and gas explorer and producer, for the year to December 31 1988. The result was struck after a total tax credit of £5.5m, compared with a £21.8m charge.

The dividend is being lifted from 9.5p to 11p with a final raise from 5.5p to 6.5p. Earnings per share advanced to 24p (17p).

The improved tax position reflected the effect of lower oil prices, as well as a reduction in its estimated deferred tax liabilities in the light of the latest projections of capital expenditure on new developments.

Oil and liquids production averaged an increased 60,470

barrels of oil per day against \$8,250. The acquisition of an additional interest in the Beryl and Ness fields in July was the principal reason for this. A number of other fields also performed better than expected.

Enterprise achieved higher sterling returns from its oil sales due to increased hedging of price and exchange rate exposures. The overall average price realised per barrel was \$8.73 against £11.06.

Oil prices were weaker during most of 1988 than in 1987, falling from a high of \$18 per barrel in January to just over \$11 in October. They rallied in the last few weeks of the year, however, following an Opec announcement of new production quotas. At end-December

the spot market price was about \$14.5 per barrel. This drop in prices was reflected in turnover 16 per cent lower at £192.1m (£227.5m).

Operating profits fell from £45.6m to £22.3m while at the pre-tax level profits dropped to £27.6m (£52.2m).

Capital expenditure in 1988 amounted to £118.3m. Group cash (net of long-term borrowings) was £110m at December 31, with cash and investments totalling £546.5m. Proven and probable reserves of oil and gas at that date were 67m (347m) barrels of oil equivalent. See Lex.



£67.5m (£72.5m). Disposal of the group's interest in the Fulmar field and its Tricentrol shareholding contributed £17.6m to this year's net interest received of £27.6m (£28.2m).

Three fields in which Enterprise is a partner (Miller, Ravenspurn North and Amethyst)

Sharp & Law to restate 1987 accounts

By Philip Coggan

SHARP & LAW, the USM-quoted shopping group, said yesterday that its 1987 profits will have to be restated and its 1988 profits will be below expectations because of "material accounting errors" at the group's Bradford store-fitting division.

The news wiped out around a quarter of the group's market capitalisation, with the shares falling 32p to 93p.

Before Sharp & Law joined the Unlisted Securities Market in May 1987, the Bradford division represented around half the group's business but after its flotation, Sharp & Law acquired BFN, a much larger shopfitter.

The Bradford operation now represents around 20-25 per cent of the group.

The group's statement said that material accounting errors, relating to the 1987 period, had been found during the preparation of the 1988 accounts.

Certain management information weaknesses had been identified and the company said that Arthur Young, the accountants, had been appointed to carry out an investigation into the management information systems of the division.

Mr Brian Considine, the chairman, would not elaborate on the nature of the accounting errors, or on the scale of the adjustment that would be made to the 1987 figures.

Sharp & Law made £1.31m pre-tax in 1987 before the acquisition of BFN; its brokers were estimating £4.2m for 1988.

Figures for 1988 will be released on March 23.

The order books for 1989 are good and the group intends to recommend a final dividend for 1988 of at least the 2p paid in 1987.

Systems buys Enterprise Comp for £19m as HIT lowers stake

By Philip Coggan

SYSTEMS RELIABILITY Holdings, the telephone systems and computer dealing company, is acquiring Enterprise Computer Services, a company specialising in upgrading computer mainframes, for £19.1m.

At the same time, Hilldown Investment Trust, the investment subsidiary of Hilldown Holdings, the foods group, is selling a substantial part of its stake in the group.

HIT has spent the last year revamping Systems, reversing Fletcher Denny's, a loss-making computer dealer, into the group and discontinuing its loss-making activities. Mr Robert Evans, an HIT director, became chief executive of Systems and relinquished his duties at Hilldown.

Now HIT, which previously owned 22 per cent of the group,

is selling 5m shares, reducing its stake to 4.3 per cent. HIT has already realised a profit of around £2m on its holding in Systems and will retain 1.3m shares. In view of the group's reduced involvement, Mr Michael Teacher is stepping down as chairman and resigning from the Systems board.

"We sorted out the group much more quickly than we thought and we wanted to release capital for use elsewhere," said Mr Teacher yesterday.

Last week, HIT took a 43 per cent stake in Comae, the Third Market-traded computer staff recruitment company and a fortnight ago it headed a consortium which took a 29.9 per cent stake in Petrocon, the valve maker and survey group. Systems is initially holding 6.7m shares at 115p each to

pay for Enterprise, which will be placed on behalf of the vendors. Such shares will be available for clawback by existing shareholders.

A further 9.5m shares will be issued to the vendors once Enterprise's profits for the year to March 31 have been determined to be at least £2.4m. Enterprise made £1.75m last year. Further consideration may be payable depending on Enterprise's profits in the year to March 31 1990.

Systems estimated that its pre-tax profits for the year in December 31 1988, before discontinued activities and exceptional items, were £2m. After exceptional items and discontinued activities, pre-tax profits are estimated at £1.4m. The directors intend to recommend a final dividend of 1p per share.

ASW tops City expectations with £30.9m

By Vanessa Houlster

ASW HOLDINGS, the former Allied Steel and Wire, yesterday announced actual pre-tax profits of £30.9m for 1988, its first year as a quoted company.

The figures were also presented on a pro forma basis, which assumes that the group had the benefit of the flotation proceeds for the full year. In this case the 1988 pre-tax profit figure increased by 55 per cent to £31.6m (£20.4m). Turnover rose by 16 per cent to £392.6m (£338.1m).

The results were at the top end of analysts' expectations and the share price rose 5p to 238p.

The company said that the results reflected continuing improvements in operating efficiency and cost reduction. It had increased its exports to continental Europe following the removal of EC production quotas.

Mr Malcolm Wallace, managing director, said that prices had drifted upwards although it remained very competitive market. The strength of sterling had not caused the group any discomfort, he said.

Improvements in technology and training provided scope for further improvements in productivity, he added. Capital spending ran at about £8m to £9m a year.

Since June, gearing was cut from 24 to 5 per cent as a result of strong cash flow generated by increased profits and cost of working capital. The pro forma net interest charge was reduced from £3.5m to £2.6m.

There was an extraordinary profit of £1m - £1.6m profit on land sales less the £600,000 cost of the free share offer for employees in December.

ASW was floated last June. The group, which was set up

seven years earlier as a joint venture between BSC and GEM, was the first business to emerge from the Government's Phoenix programme to rationalise the UK steel industry.

A special single dividend was paid in January in respect of the past financial year. The next dividend will be announced with the interim results in September.

COMMENT

If ever a company met the aspirations implied by the Phoenix programme, ASW might be the one. Once famed for its high costs, unreliability and low morale, ASW is now better known as one of the most efficient producers in Europe. It also claims to be within touching distance of Japanese productivity levels. In part, this is due to working practices from Japanese producers. But in all this, the company has been helped by a backdrop of rising demand. Moreover, the price war feared following the abolition of quotas at the end of 1987 has not materialised as weaker producers raised prices after the removal of subsidies.

So the Japanese producers are ahead for ASW. How far, for instance, would it succeed in its goal of taking market share from foreign competitors in the event of a downturn in demand in the UK? And at what stage would the Japanese producers turn their attention to the European market? For this year, however, ASW is expected to maintain the momentum of improved margins and increased exports. Analysts expect pre-tax profits of about 30p, which puts the shares on an inexpensive, fully-diluted price multiple of 8.

CountyGlen chief quits and sells 27% holding

By John Thornhill

MR MICHAEL Norris has resigned as chairman of CountyGlen, the Dublin-based property and investment company which was formerly Glen Abbey, the textile manufacturer, and has sold his 27 per cent shareholding in the company.

He yesterday disposed of 980,000 shares at 67p each.

York Trust Group, an investment holding company, has bought 374,599 shares which takes its holding to 20 per cent.

Mr Tom Cowie, chairman of T. Cowie, the Sunderland-based motor distributor, has taken 375,000 shares (10 per cent), and Mr John Featherer, a private investor, has bought 100,000 shares, increasing his shareholding to 7.2 per cent.

Mr David Heynes, a York Trust director who joined the CountyGlen board in April last year and who will now become chairman, said that there had

been some disagreements with Mr Norris over how to develop CountyGlen.

"We had one or two fraught sessions but we reached an amicable final agreement," he said yesterday.

After 21 months with CountyGlen, Mr Norris has decided to leave to pursue other business interests. He is involved in two other private companies, London and Cambridge Investments and Trinity Homes.

He said yesterday that he would now devote his time to these companies and had some interesting plans for their development.

Mr Ian Nichols, formerly employed by Peel Holdings, and Mr Tim Wildie, of York Trust, have joined the CountyGlen board.

Cambrian closing date extended to March 11

By Nikki Tait

Lencadia National Corporation, which is making a £71.5m bid for Cambrian & General Securities, the UK investment trust, has extended the closing date for its offer from March 4 to March 11 with Takeover Panel consent.

On Tuesday, the US Securities and Exchange Commission - holding 23.3 per cent of Cambrian's voting rights - announced that it would not be accepting the offer.

The SEC's escrow agent also stated that he would be exercising his right to appoint two directors to the Cambrian board.

Yesterday, the trust duly announced the appointment of Mr William Orbe and Mr Warren Goetz.

Durrant cuts S. African stake

By Ray Bashford

GOODE DURRANT, the industrial and financial management group, is reducing its exposure in South Africa through the sale of a 9.8 per cent stake in GDM Finance, the Johannesburg-quoted company.

The sale of 2.5m shares at 11p, excluding a final dividend, each cuts the holding from 99.4 per cent to 49.6 per cent.

SA Mutual, South Africa's biggest investment institution,

has acquired 2m shares and the remaining shares are being purchased by GDM's management which lifts its holding to 12 per cent of the capital.

The reduction in the holding will allow Goode Durrant to equity account the investment which will have the effect of lowering group gearing. The proceeds from the sale are being held in South Africa on a short-term basis until an alternative investment in Europe or

in another African country is made.

Goode Durrant also has investments in Malawi and Zimbabwe. Following the sale of the stake in GDM, Goode Durrant's southern African investments represent about 4 per cent of group assets.

GDM was a wholly owned subsidiary until it was cut to 54 per cent following a public flotation in September 1987.

Holmes & Marchant buys Spanish consultancy

By Ray Bashford

Holmes & Marchant Group, the marketing services company, is paying up to £2.7m for a 75 per cent interest in Consultores de Comunicacion y Direccion, the Madrid-based communications consultancy.

The purchase is part of a plan to expand into continental Europe and exploit the opportunities which are expected to flow from the single European market, directors said.

Payment consists of an initial £1.2m in cash and a further £1.5m cash pegged to the Spanish group achieving profit targets.

The profit related payment will be spread over three years, ending December 31 1991. The CCD was formed in 1987 by Mr Julio Fco, formerly secretary general to the office of the Spanish Prime Minister. On completion of the acquisition the existing board will enter into a three-year service agreement.

Bid strategy to control AmBrit

By David Waller

SIDECULE, a private company formed and owned by three entrepreneurs with a background in the oil industry, is making a £41m bid for AmBrit International, a less-making oil and gas company quoted on the unlisted securities market.

The bid is part of a series of transactions whereby the three businessmen, Mr Ian Parker, Mr Alan Russett and Mr Graeme Thomas, take management control of the company.

There is no intention that the 14p a share bid will succeed, and the three businessmen, who have 4.1 per cent of the shares, together with shareholders with another 73.6 per cent of the equity, have said they will not be accepting the offer so that the quote can be maintained.

The trio have been talking to AmBrit Inc, the UK company's US parent, and plan to adopt a

new strategy whereby AmBrit will assemble an international portfolio of quality assets through development and acquisition.

The trio bought their shares from AmBrit Inc at 14p apiece. At the same time, four investment institutions bought 30 per cent. AmBrit Inc's interest in International is reduced from 81.5 per cent to 47.4 per cent.

Siebe grows in US with £11.6m time control buy

By David Waller

SIEBE, the controls, engineering and safety equipment group, is buying Wisconsin-based Paragon Electric for \$20m (£11.6m) in cash.

Paragon designs and manufactures electronic time control products and energy control products. Sales are approximately \$50m and assets employed at the last balance sheet date were \$18.5m.

Mr Barrie Stephens, Siebe chief executive, said that Paragon had been an important

customer for the group. "Our Japanese and European operations have their tongues hanging out for these products", he observed.

"In a separate development, IBM UK and Siebe have formed a 50/50 joint venture company called Robertshaw Intelligent Building Systems (RIBS). This will market, install and maintain advanced automation systems and products for building management and control.

Tiphook to raise £11.8m through share placing

By Ray Bashford

TIPHOOK, the container and trailer rental group, is raising £11.8m after expenses through a share placement representing 5 per cent of existing capital.

The shares are being placed with clients of the company's broker at 48p, compared with yesterday closing price of 51.5p. Shareholders gave approval

last November for an issue of up to 5 per cent of the capital.

Directors said that the placement was being made "in response to strong demand for the company's services and the high asset utilisation rate now being experienced in the light of its significant asset investment programme."

Benlox acquires Riverside

Benlox, the small property and industrial group, yesterday announced the acquisition of Riverside, which makes flexible packaging materials for the food and toiletries industries,

for £445,000. Benlox has also agreed to guarantee Riverside's debt of £175,000 which is due to its existing parent company in three tranches commencing in February 1990.

CCA shares rise 20%

By Vanessa Houlster

SHARES in USM-quoted CCA Publications yesterday rose by 20 per cent to 115p after the company announced it had received an approach which might lead to an offer being made for the company.

CCA, a retailer of prints, paintings and sculptures was a subsidiary of Christie's International, the fine art auctioneer, until it joined the USM in 1985.

CCA is expected to announce its preliminary results in the first half of this month. Profits for 1987 were £369,000.

ALLIANCE & LEICESTER

Alliance & Leicester Building Society
£200,000,000 Floating Rate Notes 1993

In accordance with the provisions of the Notes, notice is hereby given that, for the three month period, 28th February, 1989 to 31st May, 1989, the Notes will bear interest at the rate of 13 1/4% per cent per annum. Coupon No. 13 will therefore be payable on 31st May, 1989 at £3,438.49 per coupon from Notes of £100,000 nominal and £170.52 per coupon from Notes of £5,000 nominal.

S.G. Warburg & Co. Ltd.
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TESSIDE

The Financial Times proposes to publish this survey on:
21st March 1989

For a full editorial synopsis and advertisement details, please contact:

Hugh G Westmacott
on 0532 454969
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FINANCIAL TIMES

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FT 30 Mar. 1670/1679 +13 FTSE 100 Mar. 2030/2040 +18 WALL STREET Jun. 1705/1714 +13 Jun. 2073/2083 +19 Mar. 2264/2276 +9 Jun. 2294/2306 +10

Prices taken at 5pm and change is from previous close at 9pm

Dividend increase 19%

- ★ Operating profit before taxation increased by 19% to £201.8m.
- ★ Excellent performance in the United Kingdom and improved result in the Netherlands.
- ★ Shareholders' funds £1,269m.

- ★ Dividend increase of 19% for the year to 19.0p per share.
- ★ Life profits contributed over 40% of pre-tax profit, with good growth in new annual premiums.

	HIGHLIGHTS		
	12 months 1988 Unaudited	12 months 1987 Audited	
Total premium income	£2,991.2m	£2,845.3m	+ 5%
Operating profit before taxation	£201.8m	£170.1m	+19%
Operating profit after taxation	£121.6m	£109.6m	+11%
Earnings per share	28.9p	26.4p	+ 9%
Dividend per share	19.0p	16.0p	+19%

The Board is proposing a final dividend of 11.75p per share, to be paid on 17 May 1989. Shareholders will again be offered the choice of receiving fully paid ordinary shares, rather than cash, in respect of all or part of the final dividend.

This announcement does not constitute full group accounts for the year. Copies of the full group accounts, which have not yet been reported on by the auditors, will be circulated to shareholders on 23 March 1989 and delivered to the Registrar of Companies after approval at the Annual General Meeting which will be held on 18 April 1989.

Members of the public may obtain copies of the accounts after 23 March by completing this coupon.

Name _____

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Post to: Shareholder Relations, Commercial Union Assurance Company plc, 69 Park Lane, Croydon, Surrey, CR9 1BG or phone 01-283 7500. Ext. 8866.

NEWLY QUALIFIED

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Business accountants for a high-level challenge in the North-West

ICI is looking for young, qualified accountants to share in the growth and development of leading business groups, headquartered in north-west England, including Chemicals and Polymers, Pharmaceuticals, Colours and Fine Chemicals, Polyurethanes and the Corporate Audit Group.

The company - one of the world's major corporations - is purposefully structured to encourage individual talent. For those with the right qualities, promotion within or between business groups can be rapid.

- ▲ **Business accountants** - providing financial advice and information as a key member of the team responsible for running each business group.
- ▲ **Management accountants** - overseeing annual expenditures running into billions of pounds.
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- ▲ **Business control** - providing independent reviews of key business controls across all activities.

You will understand roles of different departments in contributing to the business; be capable of clearly communicating ideas; show a flair for grappling with problems; and be adept at working with other people.

Candidates should be ACA or ACMA, graduates, aged to 28, with experience/ training through a large firm/company.

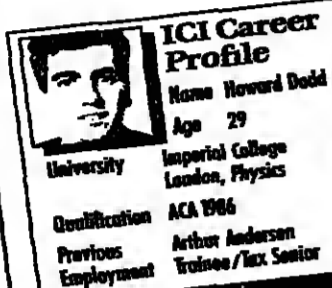
ICI people consistently demonstrate exceptional levels of energy, inventiveness and commitment. This is your opportunity to develop your own career as part of the company's future success.

Find out the facts and learn about the opportunities.

You can learn more about the opportunities and challenges of working with ICI business groups through a series of informal seminars with senior ICI executives and some of those with whom you might be working. Each seminar will begin at 6.30pm.

LOCATION	VENUE	DATE
MANCHESTER	Piccadilly Hotel	APRIL 4
LEEDS	Queen's Hotel	APRIL 5
BIRMINGHAM	Cophorne Hotel	APRIL 6
LONDON	Waldorf Hotel	APRIL 11
DUBLIN	Shelborne Hotel	APRIL 13
GLASGOW	Hospitality Hotel	APRIL 19

To reserve your place please complete the coupon below and return it, in strictest confidence, to Douglas Llammbias Associates, Brook House, 77 Fountain Street, Manchester M2 2EE.



ICI Career

1. ICI Paints Special Projects Accountant 18 months
Primary Responsibilities:
(a) Acquisitions Work. Investigation of potential acquisitions and advising senior management of their financial implications. Assisting in preparation of expenditure proposals.
(b) Special projects. Broad variety - examples: members of team developing joint venture agreement with major US Group to establish European-wide automotive finishes business. Involved close liaison with US group in a variety of areas including business forecasting, financing, legal, tax and marketing. Travelled in Europe and the US.
Major Review of research collaboration and funding within the Paints business and subsequent implementation of proposals. Reported to the Finance Director and close liaison with Research Managers and specialists.

- (c) Gained extensive experience in use of computer modelling techniques.
2. ICI Pharmaceuticals Business Accountant (Promotion to Senior Management - July 1988)
Primary Responsibilities:
(a) Financial member of India, Pakistan and Indonesia Advisory Committees. Visit twice yearly in support of the business. Provides advice on financial implications of strategy and long and short term objectives.

- (b) Product appraisals - working closely with product strategists in regular appraisal of new, potential products, their clinical trial, further development, or progression to launch.
- (c) Liaison Accountant - work with members of Export Marketing, Product Strategy and Production Planning on day to day matters and longer term planning.

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I should like to attend the seminar at Manchester/Leeds/Birmingham/London/Dublin/Glasgow (delete as appropriate). Please reserve my place.

I am unable to attend a seminar, but please send me an information pack.

Surname (Mr/Ms/Ms) _____ First Name _____ Age _____

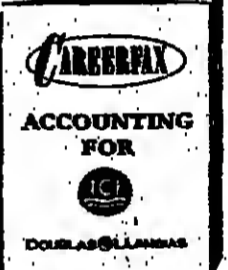
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Informative Careers Evening - Ernst & Whinney London Offices - Tuesday March 21 at 6pm

Europe is one of three key areas within the global market place and Ernst & Whinney has targeted the region with a dynamic strategy for growth.

Responding to the challenges and opportunities of the 1992 initiative the firm has devoted considerable resources to the development of imaginative new products and services to add further value to the client services we provide.

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consultancy are in the major cities and financial centres of:

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THE UNITED KINGDOM • SCANDINAVIA
and certain countries of the MEDITERRANEAN.

Whilst a second (or third) language would be advantageous, a feature of these opportunities will be the provision of modern language tuition with a proven record of success.

To provide you with all the information you require we are holding a PAN EUROPEAN OPPORTUNITIES EVENING at our London

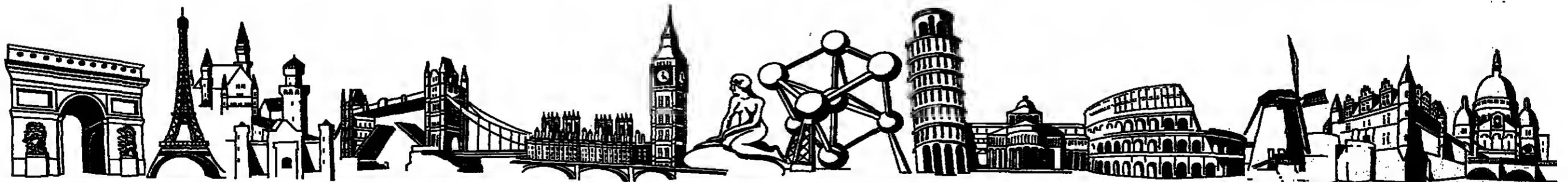
offices at Becket House on Tuesday March 21 at 6pm.

Visiting partners and others with recent experience of working in Europe will be on hand - over refreshments - to answer all your questions on available work, salaries, terms and conditions, relocation, lifestyle and prospects for the future.

So, to reserve your place, please write or telephone Barry Compton or Vanda Munden by Wednesday March 15.

E&W Ernst & Whinney

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COMMODITIES AND AGRICULTURE

Negotiated sale sought for nickel mine

By Richard Gourlay in Manila

THE PHILIPPINES Government is now seeking a negotiated sale for the Nonoc Mining and Industrial Corporation, after two public tenders earlier this year failed to result in an acceptable bid for the mothballed, 60m lb-a-year nickel refinery and mine.

Interests and Mr Jesus Cabarras, the 79-year-old former owner of Nonoc, who is claiming in court that government-backed bidders forced illegal sale.

Unrest slows Philippines gold rush

Richard Gourlay examines the problems faced by foreign miners

BANAHAW MINING Corporation's Southern Philippines base looks more like a military command post than a publicly quoted Australian company.

totally unrelated to mining. Banahaw's mine and refinery are in an area where the guerrillas operate with a degree of impunity.

as part of the "frontier regions" by the Chamber of Mines, will not touch prospects in areas heavily infiltrated by the guerrillas.

foreign members of the Chamber of Mines is that Philippine legislators' inexperience with mining is also frightening foreign investors.

Following an attack last month when communist guerrillas shot dead five employees, swatches of trees have been cut down to clear lines of fire and anti-aircraft defenses.

'I am not sure the Philippines has worked out if it really wants foreign investment or not. . . There is still a strong nationalistic tendency that says these are our reserves and we want to keep them for ourselves'

economic instability in the region and no "foreign capitalists". To counter this, Banahaw has stepped up its efforts to try to win the support of local communities with livelihood programmes.

Examples include a small scale miners' bill, which was eventually dropped, but would have effectively allowed mining on public lands.

"Eastern Mindanao is on the Rim of Fire and has to become one of the great world gold zones," commented Robert Hession, Banahaw's chairman.

Companies are tackling this in different ways. Next month Indo Pacific Securities, the Sydney-based mining group, will list on Manila's stock exchange.

Officials say that teething problems are as inevitable in a relatively new industry as optimism is in a gold prospect.

Some analysts say it will take time before the Philippines' potential becomes more than just that. Banahaw's progress, already remarkably rapid, given its peculiar situation, will be watched eagerly.

Banahaw, a subsidiary of Muswellbrook Energy and Minerals, in which Australian businessman Mr Kerry Packer has an interest, is being watched closely by a dozen or so prospectors.

Then there are the small scale miners, of which there are estimated to be more than 200,000 throughout the country.

Other countries, specifically in allowing companies to retain prospects for more than six years only if they are working them.

The Philippines is far more densely mineralised than Australia, the tonnage is bigger and the terrain is largely unexplored.

When Mr Gareth Evans, the Australian Foreign Minister asked President Aquino to consider better security for Australian investors during a visit soon after the attack, it only served to sharpen the focus of attention on the area.

Although the National Congress is currently trying to formulate controls, few companies believe the high-graders will be driven out by legislation and point to the Indonesian Government's inability to control a much smaller number of them.

Like the New People's Army guerrillas, with whom they sometimes join forces, the high-graders must be accepted

the place is wide open.

Norway and Sweden study gas supply deal

By Karen Fosell in Oslo

THE ENERGY Ministers of Norway and Sweden, respectively Mr Arne Oeien and Mrs Birgitta Dahl, said yesterday that they are seeking to sign an agreement in principle by July which calls for Norway to supply Sweden initially with 1bn cubic metres of natural gas annually from 1992 or 1993, increasing to 2.5 cu m a year by the turn of the century.

Sweden is seeking alternative energy supplies to help achieve its aim of phasing out nuclear energy by 2010. The Social Democratic Government in Stockholm currently has plans to close two of its 12 nuclear plants by 1995.

The Danish pipeline would have to be connected by a spur line to an existing Norwegian pipeline which is currently used to supply 25bn cu m of gas annually to a consortium of buyers on the Continent.

Today the ministers of the Nordic Council are to debate a proposal which calls for an integrated Scandinavian gas market to be established to allow Norway, Sweden, Finland and Denmark to be self-sufficient in gas by the year 2010.

Norway, whose indigenous gas reserves of 3,000bn cu m comprise nearly half western Europe's total, would be the supplier to the new Scandinavian market.

The proposal being debated in the Nordic Council today is based on a report compiled by representatives from the State of Norway's state oil company, Dampgas, Denmark's state gas distribution company, Swedegas, the Swedish gas distribution company, and Neste Gas, the Finnish gas distribution company.

However, in order for Norway to supply Sweden, a pipeline from Norway to Sweden will have to be constructed.

Brussels agricultural lobby ploughing stonier ground

Tim Dickson on the declining influence of the once all-conquering farmers' trade union

AS 30th birthday parties go, it was jolly enough and remarkably well attended "do".

But in the same way that individuals who reach their landmark suddenly realise that their youth is slipping away, so the European Community farm lobby organisation, may have pondered at their anniversary celebrations in Brussels last week on the inevitability of diminishing influence of the once all-conquering representative group.

Copa - the initials stand for Comité des Organisations Professionnelles Agricoles - is one of the biggest trade unions in Europe, bringing together under one roof the interests of more than 30 national farm lobbies and safeguarding the interests of more than 10m European farmers and their families throughout the member states.

More generally Copa (and its sister organisation Copeca which represents agricultural co-operatives) is split between those like the Italians and the French who tend to adopt a "Scargillite" approach of defending farm incomes and the basic canons of the CAP, and the more pragmatic members, like the British, Irish and Dutch farm unions, who

believe that realities have to be faced and compromises made to retain Copa's credibility.

Assessing Copa's direct influence in Brussels (as with any lobbying organisation) is almost impossible - but suffice it to say that through its formal participation on agricultural committees, the twice yearly meetings between the European Commission and the Copa "Præsidium" (the next one with the Agriculture Commissioner Mr Ray MacSharry being tomorrow), and Copa's wide range of contacts, the underlying disagreements.

With a budget of around ECU 100m (US\$15m), and 44 permanent staff, it organises roughly 250 meetings a year covering every subject from cereals, sugar beet, hops and honey to taxation and structural affairs.

The Institute's sudden volte face follows similar problems at its sister organisation, the Brazilian Coffee Institute (IBC), which regulates the coffee sector.

Both departments, especially IAA, have earned an unenviable reputation for inefficiency, over-staffing and corruption.

Brazil suspends sugar contract

By John Barnham in Sao Paulo

BRASIL'S SUGAR and Alcohol Institute (IAA) has suspended a 300,000-tonne sugar export contract with Portugal, Bulgaria and Czechoslovakia.

The IAA, which oversees Brazil's sugar and alcohol industry, said it cancelled the sale, the first major shipment this year, because world prices had risen above the contract level last month.

The Institute's decision follows a series of local press reports criticising the deal. According to the accounts, the IAA allegedly awarded the contract to a consortium of Densis de Paris, without putting it out to tender.

shipments. The sugar was to have been exported by May. Mr Arsaie Serpa, the IAA president, rejected the accusation.

The events at the two institutes underline the chaos and confusion gripping Brazil's commodity export policies.

Reports quoting Mr Serpa said his predecessors at the IAA had committed Brazil to exporting as much as 2m tonnes of sugar over the coming four years at fixed prices.

LONDON MARKETS

COFFEE prices rose sharply yesterday, although the market closed off the highs after profit-taking and a partial sterling rally in the afternoon. The tightness of supplies of coffee for nearby delivery and the overall weakness of the pound pushed the May robusta contract to 11,152 e tonne, up 225. Dealers said the market appeared to be making a belated response to the late shipments of quality African robustas. The possibility of another international coffee organisation export quota cut next week would only worsen the problem, they said.

SPOT MARKETS

Crude oil per barrel FOB + or - Dubai \$14.55-4.56 + 0.27 Brent \$17.30-4.02 + 0.25 W.T.I. (10 ton) \$16.20-4.34 + 0.20 Oil products (NVE prompt delivery per tonne CIF) + or - Premium Gasoline \$187.12 +2.00 Heavy Fuel Oil \$175.78 +2.00 Naphtha \$161.60 +1.00 Petroleum Argus Estimates + or - Gasoline \$187.12 +2.00 Heavy Fuel Oil \$175.78 +2.00 Naphtha \$161.60 +1.00

COCOA 5 tonnes

Table with columns: Close, Previous, High/Low. Rows for Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar.

COFFEE 5 tonnes

Table with columns: Close, Previous, High/Low. Rows for Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar.

SUBSIDIARY 5 tonnes

Table with columns: Close, Previous, High/Low. Rows for Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar.

LONDON METAL EXCHANGE TRADED OPTIONS

Table with columns: Close, Previous, High/Low. Rows for Aluminium, Copper, Lead, Nickel, Tin, Zinc.

Wool

Wool prices are reasonably steady, since the Australian dollar, despite some sharp fluctuations, is not expected to change fast. Wool markets in Australia are also steady. The market indicator is now at 910 in December, and another more recently at 925 in February. The rapid downturn in the Australian dollar is unhelpful to trade confidence in the UK but is already low as a result of high interest rates and declining retail sales of clothing, with carpets also threatened by the squeeze. Activity in the industry is below capacity, with a few firms on short-term working. Quoted prices for top 100s are 55 pence a lb, for 64.2 440 for 50s. There is no chance of selling at these prices.

LONDON METAL EXCHANGE (Price supplied by Amalgamated Metal Trading)

Table with columns: Close, Previous, High/Low, A.M. Official, Ring turnover. Rows for Aluminium, Cash, 3 months, Copper, Cash, 3 months, Silver, Lead, Cash, 3 months, Zinc, Cash, 3 months.

POTATOES 5 tonnes

Table with columns: Close, Previous, High/Low. Rows for Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar.

SOYABEAN MEAL 5 tonnes

Table with columns: Close, Previous, High/Low. Rows for Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar.

WHEAT 5 tonnes

Table with columns: Close, Previous, High/Low. Rows for Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar.

GRAINS 5 tonnes

Table with columns: Close, Previous, High/Low. Rows for Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar.

BARLEY 5 tonnes

Table with columns: Close, Previous, High/Low. Rows for Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar.

WORLD COMMODITIES PRICES

Table with columns: Close, Previous, High/Low. Rows for Aluminium, Cash, 3 months, Copper, Cash, 3 months, Silver, Lead, Cash, 3 months, Zinc, Cash, 3 months.

POTATOES 5 tonnes

Table with columns: Close, Previous, High/Low. Rows for Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar.

SOYABEAN MEAL 5 tonnes

Table with columns: Close, Previous, High/Low. Rows for Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar.

WHEAT 5 tonnes

Table with columns: Close, Previous, High/Low. Rows for Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar.

GRAINS 5 tonnes

Table with columns: Close, Previous, High/Low. Rows for Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar.

BARLEY 5 tonnes

Table with columns: Close, Previous, High/Low. Rows for Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar.

US MARKETS

IN THE METALS, gold prices fell 330 basis April on fresh commission house selling, reports Drew Bernham Lambert. A strong dollar and lack of buying throughout the day kept the bearish tone. Platinum futures were also lower on stop loss selling. Silver sold off to new contract lows following the gold and platinum declines. Rumors of a Peruvian copper strike in late March rattled the copper market. In the softs, commission houses and trade groups were active sellers in the cocoa market. Buy stops and some short covering pushed coffee futures higher. In livestock trading, expectations of seasonal strength and the unwinding of long live cattle and short hog spreads gave support to the hog futures. Cattle markets were soft due to technical weakness as well as light packer demand in the cash markets. The rise in energy prices was primarily due to a boost in the cash market. Higher cash prices were attributed to the release of Tuesday's API report which showed a commission house selling weakened the soy complex.

New York

Table with columns: Close, Previous, High/Low. Rows for Gold, Silver, Copper, Nickel, Tin, Zinc, Lead, Aluminum, Soybean Meal, Wheat, Corn, Soybean Oil, Cotton, Sugar, Lumber, Live Cattle, Live Hogs, Live Pigs, Live Sheep, Live Goats, Live Horses, Live Poultry, Live Rabbits, Live Cattle, Live Hogs, Live Pigs, Live Sheep, Live Goats, Live Horses, Live Poultry, Live Rabbits.

Chicago

Table with columns: Close, Previous, High/Low. Rows for Soybean Meal, Soybean Oil, Wheat, Corn, Soybean Oil, Cotton, Sugar, Lumber, Live Cattle, Live Hogs, Live Pigs, Live Sheep, Live Goats, Live Horses, Live Poultry, Live Rabbits.

COPPER 25,000 lbs; cents/lb

Table with columns: Close, Previous, High/Low. Rows for Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar.

CRUDE OIL (Light 42,000 US gal) \$/barrel

Table with columns: Close, Previous, High/Low. Rows for Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar.

HEATING OIL 42,000 US gal, cents/US gal

Table with columns: Close, Previous, High/Low. Rows for Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar.

SOYBEAN OIL 42,000 US gal, cents/US gal

Table with columns: Close, Previous, High/Low. Rows for Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar.

COCOA 10 tonnes/5 tonnes

Table with columns: Close, Previous, High/Low. Rows for Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar.

COPPER 5 tonnes

Table with columns: Close, Previous, High/Low. Rows for Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar.

SOYABEAN 5,000 bu mtc; cents/50lb bushel

Table with columns: Close, Previous, High/Low. Rows for Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar.

SOYABEAN OIL 60,000 lbs; cents/lb

Table with columns: Close, Previous, High/Low. Rows for Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar.

SOYABEAN MEAL 100 tons; \$/ton

Table with columns: Close, Previous, High/Low. Rows for Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar.

WHEAT 5,000 bu mtc; cents/50lb bushel

Table with columns: Close, Previous, High/Low. Rows for Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar.

LIVE CATTLE 40,000 lbs; cents/lb

Table with columns: Close, Previous, High/Low. Rows for Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar.

LIVE HOGS 30,000 lbs; cents/lb

Table with columns: Close, Previous, High/Low. Rows for Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar.

SOYABEAN MEAL 40,000 lbs; cents/lb

Table with columns: Close, Previous, High/Low. Rows for Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar.

WHEAT 5,000 bu mtc; cents/50lb bushel

Table with columns: Close, Previous, High/Low. Rows for Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar.

LIVE CATTLE 40,000 lbs; cents/lb

Table with columns: Close, Previous, High/Low. Rows for Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar.

LIVE HOGS 30,000 lbs; cents/lb

Table with columns: Close, Previous, High/Low. Rows for Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar.

SOYABEAN MEAL 40,000 lbs; cents/lb

Table with columns: Close, Previous, High/Low. Rows for Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar.

WHEAT 5,000 bu mtc; cents/50lb bushel

Table with columns: Close, Previous, High/Low. Rows for Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar, May, Jul, Sep, Nov, Dec, Jan, Feb, Mar.

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LONDON STOCK EXCHANGE

Trade deficit fails to upset equities

A CONFUSING, but broadly favourable response to the UK January trade figures led the London stock market showing widespread gains in improved turnover yesterday. Worries over domestic interest rates raised somewhat, helped by a UK Treasury statement which was interpreted as suggesting that current base rates of 10 per cent are high enough. However, the trade deficit was almost as large as the most bullish forecasts in the City of London.

The FT-SE index closed 18.9 points up at 2821.3. Seaq volume jumped to 534.4m from Tuesday's 357.8m shares. Some institutional buying was seen in the morning, but there was little sign of any fundamental change in analysts' views. Many chart analysts continue to predict a stalemate in the market for the present, to be followed by a correction to the mid-1900 area, and then a renewed advance.

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le on the currency front. Any further pressures on sterling will be tackled by intervention in the foreign exchange markets rather than by interest rate changes, he believes. The firmer trend enabled equities to brush off a \$588m rights issue from Enterprise Oil, following on the heels of the £158m cash call from London & Scottish Marine Oil (Lasso) on Tuesday. Oil analysts regard the two North Sea deals as very encouraging for the independent oil sector.

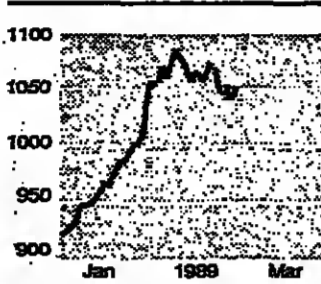
FINANCIAL TIMES STOCK INDICES table with columns for Mar, Feb, Jan, Dec, Nov, Oct, Sep, Aug, High, Low, and Since Completion.

S.E. ACTIVITY table with columns for Indices, Feb 28, Feb 27, and various stock indices like Gilt Edged Bargains, Equity Bargains, etc.

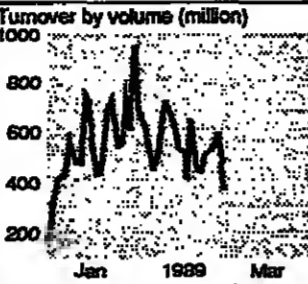
Goldman move hits retailer

The decision by Goldman Sachs, the US securities house, to stop making a market in Storehouse shares in the retail group, has hit the share price. Dealers said that the market immediately thought that the Goldman move might be a prelude to a bid for Storehouse, probably involving Mr Asher Edelman, the US architect, who has expressed an interest in putting together a consortium bid for the group.

FT-A All-Share Index



Equity Shares Traded



tributor MUK failed to come to fruition, about £1.5m will be wiped from profits by the new UK accounting rules on pension liabilities, and a further £2m will be lost, said the Warburg analyst, if Salvesen decides to withdraw completely from the Dutch cold-stores business.

Ocean exposed

Speculation began to mount yesterday that Sir Ron Brierley, staging another attempt to acquire Ocean Transport now that it has disposed of Elder Dempster, the West African liner company. The sale marked the end of Ocean's long involvement with deep-sea shipping. The company is now far more attractive, consisting of two simple businesses with gearing down to 20 per cent.

Salvesen down

Salvesen down. Diversified food processing, storage and distribution group Christian Salvesen fell sharply against the market on the news that its own brokers, Hoare Govett, has downgraded its profits forecast by 22m to £25m for year-end March 1989. More damaging, however, was the subsequent decision by Warburg Securities to slash its forecast for year-end 1990 by 25m to £27m. Warburg also lowered its figure for this year to £22m as Salvesen shares dropped 10 to 14p.

NEW HIGHS AND LOWS FOR 1988/89

Table listing new highs and lows for 1988/89, including companies like British Telecom, British Airways, etc.

Salvesen down

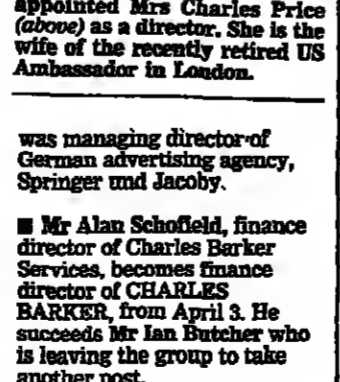
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APPOINTMENTS

responsibilities for the North American operations of Smith & Nephew. Mr Eddie Thomas has been appointed managing director of WIDNEY EUROCRRAFT, Birmingham. Mr Lars Evander has been appointed an executive vice president of SVENSKA HANDELSBANKEN, Stockholm.



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Mr Lars Evander has been appointed an executive vice president of SVENSKA HANDELSBANKEN, Stockholm.

Mr Ron Williams has been appointed a non-executive director of GROSS HILL PROPERTIES on his retirement as a deputy director, West End region, National Westminster Bank.

What are your chances of making a million this year?

What are your chances of making a million this year? We all like to gamble now and then. Especially if our chances of winning are high. Even better when the prizes are high too. Better still, when you can become a millionaire overnight!

ONE QUARTER BILLION GERMAN MARKS

ONE QUARTER BILLION GERMAN MARKS IN PRIZEMONEY, 241,435,000 DM, to be exact. But ticket sales are limited to only 700,000. Which means that almost 40% of participating tickets are winners. But that's not all. During the 26 lottery weeks, there are 22 prizes of 1 million Marks, 2 of 2 million Marks and in the final weeks, two super prizes of THREE MILLION GERMAN MARKS.

TRADING VOLUME IN MAJOR STOCKS

Table showing trading volume in major stocks, including British Telecom, British Airways, etc.

What are your chances of making a million this year? We all like to gamble now and then. Especially if our chances of winning are high. Even better when the prizes are high too. Better still, when you can become a millionaire overnight!

Broking restructure at Minet

MINET HOLDINGS has restructured its broking operation. Mr C.W. Keay, joint group deputy chairman, now has corporate responsibility for Minet Insurance Brokers, J.E. Minet & Co. and Minet Canada. Mr B.J. Hayes has been appointed chairman of a new subsidiary, Minet Reinsurance Brokers. Mr J.T. Gore has been appointed chairman and chief executive of J.E. Minet & Co., succeeding Mr Hayes, and Mr P.H. Foster becomes deputy chairman.



Mr C.W. Keay, joint group deputy chairman, now has corporate responsibility for Minet Insurance Brokers, J.E. Minet & Co. and Minet Canada.



Mr B.J. Hayes has been appointed chairman of a new subsidiary, Minet Reinsurance Brokers.

Mr J.T. Gore has been appointed chairman and chief executive of J.E. Minet & Co., succeeding Mr Hayes, and Mr P.H. Foster becomes deputy chairman.

Advertisement for Christian Schippmann, Official Agent of Northwest German State Lottery, including contact information and prize details.

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-225-2128

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trust, Abnott Unit Trust, and others, including their respective managers and performance metrics.

Table listing unit trusts under the heading 'Abnott Unit Trust' and others, detailing their investment focus and financial data.

Table listing unit trusts under the heading 'Abnott Unit Trust' and others, providing detailed financial and performance information.

Table listing unit trusts under the heading 'Abnott Unit Trust' and others, including their managers and investment strategies.

Table listing unit trusts under the heading 'Abnott Unit Trust' and others, detailing their financial performance and risk profiles.

Table listing unit trusts under the heading 'Abnott Unit Trust' and others, providing comprehensive financial data and analysis.

Table listing unit trusts under the heading 'Abnott Unit Trust' and others, including their investment objectives and historical returns.

Table listing unit trusts under the heading 'Abnott Unit Trust' and others, detailing their financial performance and market positioning.

GUIDE TO UNIT TRUST PRICING: A section explaining the methodology used for pricing unit trusts, including details on bid and offer prices, and the role of the FT Unit Trust Information Service.

Handwritten text at the bottom of the page, possibly a signature or note.

FT UNIT TRUST INFORMATION SERVICE

FT UNIT TRUST INFORMATION SERVICE

Current Unit Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2128

Main table of unit trust information with columns for company name, unit price, and other financial details. Includes sections for 'OTHER UK UNIT TRUSTS' and various insurance-related trusts.

INSURANCES

Table of insurance policies and services, including details on life insurance, general insurance, and other financial products.

Continued on next page

FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

Table of FT Unit Trust Information Service, listing various unit trusts with columns for Name, Price, and Yield.

Table of London Share Service, listing various shares with columns for Name, Price, and Yield.

Table of Money Market Trust Funds and Bank Accounts, listing various financial products with columns for Name, Price, and Yield.

LONDON SHARE SERVICE

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-225-2122

CANADIANS table with columns for Stock, Price, Bid, Offer, and P/E ratio. Includes companies like Alcan, Inco, and Noranda.

BUILDING, TIMBER, ROADS Contd table with columns for Stock, Price, Bid, Offer, and P/E ratio. Includes companies like Bovis Lend Lease and Bovis Lend Lease.

ELECTRICALS table with columns for Stock, Price, Bid, Offer, and P/E ratio. Includes companies like British Energy and British Nuclear Fuels.

ENGINEERING - Contd table with columns for Stock, Price, Bid, Offer, and P/E ratio. Includes companies like BAE Systems and British Aerospace.

INDUSTRIALS (Miscel.) - Contd table with columns for Stock, Price, Bid, Offer, and P/E ratio. Includes companies like British Petroleum and British Airways.

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BANKS, HP & LEASING table with columns for Stock, Price, Bid, Offer, and P/E ratio. Includes companies like HSBC and Citicorp.

CHEMICALS, PLASTICS table with columns for Stock, Price, Bid, Offer, and P/E ratio. Includes companies like ICI and British Chemicals.

FOOD, GROCERIES, ETC table with columns for Stock, Price, Bid, Offer, and P/E ratio. Includes companies like Unilever and Nestle.

INDUSTRIALS (Miscel.) - Contd table with columns for Stock, Price, Bid, Offer, and P/E ratio. Includes companies like British Airways and British Petroleum.

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BEERS, WINES & SPIRITS table with columns for Stock, Price, Bid, Offer, and P/E ratio. Includes companies like Carlsberg and Heineken.

DRAPERY AND STORES table with columns for Stock, Price, Bid, Offer, and P/E ratio. Includes companies like Debenhams and Debenhams.

INDUSTRIALS (Miscel.) - Contd table with columns for Stock, Price, Bid, Offer, and P/E ratio. Includes companies like British Airways and British Petroleum.

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ENGINEERING table with columns for Stock, Price, Bid, Offer, and P/E ratio. Includes companies like BAE Systems and British Aerospace.

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INSURANCES table with columns for Stock, Price, Bid, Offer, and P/E ratio. Includes companies like Aviva and Aviva.

LEISURE table with columns for Stock, Price, Bid, Offer, and P/E ratio. Includes companies like British Airways and British Airways.

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CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar firm as pound falls

A FIRM dollar and weak pound were the main features of the foreign exchanges yesterday. The dollar found strength from fading speculation of higher West German interest rates...

around DM3.1775, soon after the trade figures were announced. Dealers detected further intervention in the afternoon, but it failed to prevent the pound falling to DM3.1650 at the close...

Y128.35 against the yen, but failed to break through technical resistance at Y128.40. It closed at Y128.10, against Y128.55 previously.

This remains a possibility at today's Bundesbank council meeting, but the general view yesterday was that the odds are against an increase in German rates.

Confusion about whether German interest rates will be forced up today pushed the dollar through resistance at DM1.8400. It touched a peak of DM1.8450 at the close...

There was little reaction to a higher than expected rise of 1.8 per cent in US personal income in January, compared with 0.9 per cent in December.

STERLING INDEX

Table with columns: Mar. 1, Latest, Previous. Rows include US Dollar, Canadian Dollar, Australian Dollar, etc.

CURRENCY RATES

Table with columns: Mar. 1, Bank, Social, European. Rows include Sterling, US Dollar, Canadian Dollar, etc.

CURRENCY MOVEMENTS

Table with columns: Mar. 1, Bank of England, Changes %. Rows include Sterling, US Dollar, Canadian Dollar, etc.

OTHER CURRENCIES

Table with columns: Mar. 1, S, D. Rows include Argentina, Australia, Brazil, etc.

MONEY MARKETS

Further nervousness

THE INTEREST rate picture remained cloudy yesterday. The UK trade figures were disappointing, but not bad enough for the Bank of England to signal higher bank base rates.

The Bundesbank will not hold a press conference after today's meeting, but this is no guarantee that rates will not be raised. The result of this week's securities repurchase agreement tender was confusing.

London interbank rates opened about 1/8 per cent lower and rose 1/4 per cent on the trade news. Three-month interbank finished at 13 1/4-13 1/2 per cent.

FT LONDON INTERBANK FIXING

Table with columns: 11.00 a.m. Mar. 1, 3 months US dollars, 6 months US dollars, etc.

MONEY RATES

Table with columns: New York, Treasury Bills and Bonds. Rows include One month, Two months, etc.

LONDON MONEY RATES

Table with columns: Mar. 1, Overnight, 7 days notice, One month, etc.

BASE LENDING RATES

Table with columns: Bank, Rate. Rows include ABN Bank, Aden & Company, etc.

FINANCIAL FUTURES

Rates paint confusing picture

GENERAL CONFUSION about the interest rates picture was well illustrated by trading in short sterling on Life yesterday. March delivery was slightly firmer, while the June contract weakened a little.

almost certain there will not be an early reduction. Traders were apprehensive of betting whether the next move in rates will be up or down, but if the next change turns out to be a cut this will obviously be much further in the future than any possible rise.

The current account deficit in January was not high enough to prompt an early rise in base rates. Dealers said the domestic situation does not appear to warrant higher rates, but the immediate trend is likely to be influenced by today's Bundesbank council meeting, and whether there is an increase in the West German Lombard rate.

Table: LIFE LONG GILT FUTURES OPTIONS. Columns: Strike, Call-Settlements, Put-Settlements. Rows: Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

Table: LIFE US TREASURY BOND FUTURES OPTIONS. Columns: Strike, Call-Settlements, Put-Settlements. Rows: Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

Table: LIFE FTSE 100 INDEX FUTURES OPTIONS. Columns: Strike, Call-Settlements, Put-Settlements. Rows: Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

Table: LIFE 5% STRIP. Columns: Strike, Call-Settlements, Put-Settlements. Rows: Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

Table: LIFE EUROSTOXX 50. Columns: Strike, Call-Settlements, Put-Settlements. Rows: Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

Table: LIFE DOW JONES. Columns: Strike, Call-Settlements, Put-Settlements. Rows: Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

Table: LONDON (LIFFE). Columns: Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec. Rows include 20-Year US Treasury, etc.

Table: CHICAGO. Columns: Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec. Rows include US Treasury Bonds, etc.

Table: JAPANESE YEN. Columns: Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec. Rows include 100 Yen, etc.

Table: EURO CURRENCY INTEREST RATES. Columns: Mar. 1, Short term, 7 days notice, One month, etc.

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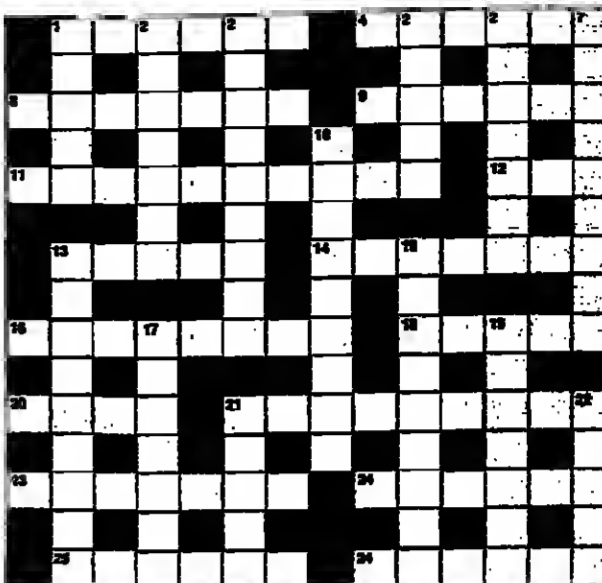
Table: EXCHANGE CROSS RATES. Columns: Mar. 1, S, D, Y, F, P, H, L, A, C, S, O, F. Rows include Mar 1, Mar 2, etc.

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CROSSWORD

No. 6,874 Set by CINEPHILE



Diagonally (downwards from left to right): 4, 20, 6 Saw cooking pots; bacon hotpot? Holy smoke! (3,4,5,5,3)

- ACROSS: 1 Draw dental characters without lengthy work (6); 4 Fly in the jet set, seemingly (6); 8 Verger with bag on wrist (point taken) (7); 9 Scooped at love among the groovy? (7); 11 George takes some fruit to lady student of the earth (10); 12 Sheep's words to shepherd in South Africa? (4); 13 Climb on fish (5); 14 Stiffness of dress: one's tardy (8); 16 Worthless stone, without mistake (5); 18 Mad as a fruit-cake (5); 20 Lakeland saint? (4); 21 Religious person opposed to saint swallowing a bread roll (10); 23 Soldier who sounds like actor (7); 24 Cressida's suitor left distraught? (7); 25 Scots Swedes save old Greek city (8); 26 Wood-eating insect with glitter (6); DOWN: 2 Doctor to copy cover (5); 3 Italian city vegetable including one under the carpet (7); 3 A catcher's after-actress: they catch (8); 5 Fly without number or system (5); 6 Doll sound conceals award "being read, perhaps" (7); 7 Lent Yale 1,000 dollars, possibly, with grace (8); 10 Maybe approaching finals tied Harry, unfortunately (6-4); 13 Stallion to nail maiden (in relation to clothes) (8); 15 Projecting tube used by north-eastern burglar (3,5); 17 It isn't funny to be without administrative officer with authority (8,4); 19 Tasty little things are restraints on a bird (7); 21 Plant for aromatics? (5); 22 Having a flavour of impertinence (5); Solution to Puzzle No.6,873

JOTTER PAD

Handwritten notes and a small diagram on a notepad.

REAL TIME FUTURES & OPTIONS PRICES

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All it takes is one visit to the launch of the Terminator - the City's first digital trading system - with a proven track record of sales.

The launch is taking place between 6-10 March 1989 - from 10.30-16.30 hours at Skippers Hall, 8 1/2 Dowgate Hill London, EC4 (Cannon Street)

If you are involved in financial trading it's an event you should not miss.

01 748 2001 HITACHI Financial Trading Systems

Handwritten word 'choice' in a box.

WORLD STOCK MARKETS

Handwritten Arabic text at the top center of the page.

Vertical text on the left margin, including 'MARCH 2 1989', 'RD', 'EPHILE', and 'JOTTERM'.

Table for AUSTRALIA stock market data, listing various stocks and their prices.

Table for FRANCE (continued) stock market data, listing various stocks and their prices.

Table for GERMANY (continued) stock market data, listing various stocks and their prices.

Table for ITALY (continued) stock market data, listing various stocks and their prices.

Table for SWEDEN stock market data, listing various stocks and their prices.

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Large advertisement at the bottom of the page for 'Your FT hand delivered in Germany', featuring '12 FREE issues' and contact information for Frankfurt.

4pm prices March 1

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

High	Low	Stock	Chg.	High	Low	Stock	Chg.	High	Low	Stock	Chg.	High	Low	Stock	Chg.
28.1	27.8	AAR	+	17.5	17.2	AMC	+	10.5	10.2	AMT	+	15.5	15.2	AMT	+
27.5	27.2	AAI	+	17.0	16.7	AMC	+	10.0	9.7	AMT	+	15.0	14.7	AMT	+
27.0	26.7	AAI	+	16.5	16.2	AMC	+	9.5	9.2	AMT	+	14.5	14.2	AMT	+
26.5	26.2	AAI	+	16.0	15.7	AMC	+	9.0	8.7	AMT	+	14.0	13.7	AMT	+
26.0	25.7	AAI	+	15.5	15.2	AMC	+	8.5	8.2	AMT	+	13.5	13.2	AMT	+
25.5	25.2	AAI	+	15.0	14.7	AMC	+	8.0	7.7	AMT	+	13.0	12.7	AMT	+
25.0	24.7	AAI	+	14.5	14.2	AMC	+	7.5	7.2	AMT	+	12.5	12.2	AMT	+
24.5	24.2	AAI	+	14.0	13.7	AMC	+	7.0	6.7	AMT	+	12.0	11.7	AMT	+
24.0	23.7	AAI	+	13.5	13.2	AMC	+	6.5	6.2	AMT	+	11.5	11.2	AMT	+
23.5	23.2	AAI	+	13.0	12.7	AMC	+	6.0	5.7	AMT	+	11.0	10.7	AMT	+
23.0	22.7	AAI	+	12.5	12.2	AMC	+	5.5	5.2	AMT	+	10.5	10.2	AMT	+
22.5	22.2	AAI	+	12.0	11.7	AMC	+	5.0	4.7	AMT	+	10.0	9.7	AMT	+
22.0	21.7	AAI	+	11.5	11.2	AMC	+	4.5	4.2	AMT	+	9.5	9.2	AMT	+
21.5	21.2	AAI	+	11.0	10.7	AMC	+	4.0	3.7	AMT	+	9.0	8.7	AMT	+
21.0	20.7	AAI	+	10.5	10.2	AMC	+	3.5	3.2	AMT	+	8.5	8.2	AMT	+
20.5	20.2	AAI	+	10.0	9.7	AMC	+	3.0	2.7	AMT	+	8.0	7.7	AMT	+
20.0	19.7	AAI	+	9.5	9.2	AMC	+	2.5	2.2	AMT	+	7.5	7.2	AMT	+
19.5	19.2	AAI	+	9.0	8.7	AMC	+	2.0	1.7	AMT	+	7.0	6.7	AMT	+
19.0	18.7	AAI	+	8.5	8.2	AMC	+	1.5	1.2	AMT	+	6.5	6.2	AMT	+
18.5	18.2	AAI	+	8.0	7.7	AMC	+	1.0	0.7	AMT	+	6.0	5.7	AMT	+
18.0	17.7	AAI	+	7.5	7.2	AMC	+	0.5	0.2	AMT	+	5.5	5.2	AMT	+
17.5	17.2	AAI	+	7.0	6.7	AMC	+	0.0	-0.3	AMT	+	5.0	4.7	AMT	+
17.0	16.7	AAI	+	6.5	6.2	AMC	+	-0.5	-0.8	AMT	+	4.5	4.2	AMT	+
16.5	16.2	AAI	+	6.0	5.7	AMC	+	-1.0	-1.3	AMT	+	4.0	3.7	AMT	+
16.0	15.7	AAI	+	5.5	5.2	AMC	+	-1.5	-1.8	AMT	+	3.5	3.2	AMT	+
15.5	15.2	AAI	+	5.0	4.7	AMC	+	-2.0	-2.3	AMT	+	3.0	2.7	AMT	+
15.0	14.7	AAI	+	4.5	4.2	AMC	+	-2.5	-2.8	AMT	+	2.5	2.2	AMT	+
14.5	14.2	AAI	+	4.0	3.7	AMC	+	-3.0	-3.3	AMT	+	2.0	1.7	AMT	+
14.0	13.7	AAI	+	3.5	3.2	AMC	+	-3.5	-3.8	AMT	+	1.5	1.2	AMT	+
13.5	13.2	AAI	+	3.0	2.7	AMC	+	-4.0	-4.3	AMT	+	1.0	0.7	AMT	+
13.0	12.7	AAI	+	2.5	2.2	AMC	+	-4.5	-4.8	AMT	+	0.5	0.2	AMT	+
12.5	12.2	AAI	+	2.0	1.7	AMC	+	-5.0	-5.3	AMT	+	0.0	-0.3	AMT	+
12.0	11.7	AAI	+	1.5	1.2	AMC	+	-5.5	-5.8	AMT	+	-0.5	-0.8	AMT	+
11.5	11.2	AAI	+	1.0	0.7	AMC	+	-6.0	-6.3	AMT	+	-1.0	-1.3	AMT	+
11.0	10.7	AAI	+	0.5	0.2	AMC	+	-6.5	-6.8	AMT	+	-1.5	-1.8	AMT	+
10.5	10.2	AAI	+	0.0	-0.3	AMC	+	-7.0	-7.3	AMT	+	-2.0	-2.3	AMT	+
10.0	9.7	AAI	+	-0.5	-0.8	AMC	+	-7.5	-7.8	AMT	+	-2.5	-2.8	AMT	+
9.5	9.2	AAI	+	-1.0	-1.3	AMC	+	-8.0	-8.3	AMT	+	-3.0	-3.3	AMT	+
9.0	8.7	AAI	+	-1.5	-1.8	AMC	+	-8.5	-8.8	AMT	+	-3.5	-3.8	AMT	+
8.5	8.2	AAI	+	-2.0	-2.3	AMC	+	-9.0	-9.3	AMT	+	-4.0	-4.3	AMT	+
8.0	7.7	AAI	+	-2.5	-2.8	AMC	+	-9.5	-9.8	AMT	+	-4.5	-4.8	AMT	+
7.5	7.2	AAI	+	-3.0	-3.3	AMC	+	-10.0	-10.3	AMT	+	-5.0	-5.3	AMT	+
7.0	6.7	AAI	+	-3.5	-3.8	AMC	+	-10.5	-10.8	AMT	+	-5.5	-5.8	AMT	+
6.5	6.2	AAI	+	-4.0	-4.3	AMC	+	-11.0	-11.3	AMT	+	-6.0	-6.3	AMT	+
6.0	5.7	AAI	+	-4.5	-4.8	AMC	+	-11.5	-11.8	AMT	+	-6.5	-6.8	AMT	+
5.5	5.2	AAI	+	-5.0	-5.3	AMC	+	-12.0	-12.3	AMT	+	-7.0	-7.3	AMT	+
5.0	4.7	AAI	+	-5.5	-5.8	AMC	+	-12.5	-12.8	AMT	+	-7.5	-7.8	AMT	+
4.5	4.2	AAI	+	-6.0	-6.3	AMC	+	-13.0	-13.3	AMT	+	-8.0	-8.3	AMT	+
4.0	3.7	AAI	+	-6.5	-6.8	AMC	+	-13.5	-13.8	AMT	+	-8.5	-8.8	AMT	+
3.5	3.2	AAI	+	-7.0	-7.3	AMC	+	-14.0	-14.3	AMT	+	-9.0	-9.3	AMT	+
3.0	2.7	AAI	+	-7.5	-7.8	AMC	+	-14.5	-14.8	AMT	+	-9.5	-9.8	AMT	+
2.5	2.2	AAI	+	-8.0	-8.3	AMC	+	-15.0	-15.3	AMT	+	-10.0	-10.3	AMT	+
2.0	1.7	AAI	+	-8.5	-8.8	AMC	+	-15.5	-15.8	AMT	+	-10.5	-10.8	AMT	+
1.5	1.2	AAI	+	-9.0	-9.3	AMC	+	-16.0	-16.3	AMT	+	-11.0	-11.3	AMT	+
1.0	0.7	AAI	+	-9.5	-9.8	AMC	+	-16.5	-16.8	AMT	+	-11.5	-11.8	AMT	+
0.5	0.2	AAI	+	-10.0	-10.3	AMC	+	-17.0	-17.3	AMT	+	-12.0	-12.3	AMT	+
0.0	-0.3	AAI	+	-10.5	-10.8	AMC	+	-17.5	-17.8	AMT	+	-12.5	-12.8	AMT	+
-0.5	-0.8	AAI	+	-11.0	-11.3	AMC	+	-18.0	-18.3	AMT	+	-13.0	-13.3	AMT	+
-1.0	-1.3	AAI	+	-11.5	-11.8	AMC	+	-18.5	-18.8	AMT	+	-13.5	-13.8	AMT	+
-1.5	-1.8	AAI	+	-12.0	-12.3	AMC	+	-19.0	-19.3	AMT	+	-14.0	-14.3	AMT	+
-2.0	-2.3	AAI	+	-12.5	-12.8	AMC	+	-19.5	-19.8	AMT	+	-14.5	-14.8	AMT	+
-2.5	-2.8	AAI	+	-13.0	-13.3	AMC	+	-20.0	-20.3	AMT	+	-15.0	-15.3	AMT	+
-3.0	-3.3	AAI	+	-13.5	-13.8	AMC	+	-20.5	-20.8	AMT	+	-15.5	-15.8	AMT	+
-3.5	-3.8	AAI	+	-14.0	-14.3	AMC	+	-21.0	-21.3	AMT	+	-16.0	-16.3	AMT	+
-4.0	-4.3	AAI	+	-14.5	-14.8	AMC	+	-21.5	-21.8	AMT	+	-16.5	-16.8	AMT	+
-4.5	-4.8	AAI	+	-15.0	-15.3	AMC	+	-22.0	-22.3	AMT	+	-17.0	-17.3	AMT	+
-5.0	-5.3	AAI	+	-15.5	-15.8	AMC	+	-22.5	-22.8	AMT	+	-17.5	-17.8	AMT	+
-5.5	-5.8	AAI	+	-16.0	-16.3	AMC	+	-23.0	-23.3	AMT	+	-18.0	-18.3	AMT	+
-6.0	-6.3	AAI	+	-16.5	-16.8	AMC	+	-23.5	-23.8	AMT	+	-18.5	-18.8	AMT	+
-6.5	-6.8	AAI	+	-17.0	-17.3	AMC	+	-24.0	-24.3	AMT	+	-19.0	-19.3	AMT	+
-7.0	-7.3	AAI	+	-17.5	-17.8	AMC	+	-24.5	-24.8	AMT	+	-19.5	-19.8	AMT	+
-7.5	-7.8	AAI	+	-18.0	-18.3	AMC	+	-25.0	-25.3	AMT	+	-20.0	-20.3	AMT	+
-8.0	-8.3	AAI	+	-18.5	-18.8	AMC	+	-25.5	-25.8	AMT	+	-20.5	-20.8	AMT	+
-8.5	-8.8	AAI	+	-19.0	-19.3	AMC	+	-26.0	-26.3	AMT	+	-21.0	-21.3	AMT	+
-9.0	-9.3	AAI	+	-19.5	-19.8	AMC	+	-26.5	-26.8	AMT	+	-21.5	-21.8	AMT	+
-9.5	-9.8	AAI	+	-20.0	-20.3	AMC	+	-27.0	-27.3	AMT	+	-22.0	-22.3	AMT	+
-10.0	-10.3	AAI	+	-20.5	-20.8	AMC	+	-27.5	-27.8	AMT	+	-22.5	-22.8	AMT	+
-10.5	-10.8	AAI	+	-21.0	-21.3	AMC	+	-28.0	-28.3	AMT	+	-23.0	-23.3	AMT	+
-11.0	-11.3	AAI	+	-21.5	-21.8	AMC	+	-28.5	-28.8	AMT	+	-23.5	-23.8	AMT	+
-11.5	-11.8	AAI	+	-22.0	-22.3	AMC	+	-29.0	-29.3	AMT	+	-24.0	-24.3	AMT	+
-12.0	-12.3	AAI	+	-22.5	-22.8	AMC	+	-29.5	-29.8	AMT	+	-24.5	-24.8	AMT	+
-12.5	-12.8	AAI	+	-23.0	-23.3	AMC	+	-30.0	-30.3	AMT	+	-25.0	-25.3	AMT	+
-13.0	-13.3	AAI	+	-23.5	-23.8	AMC	+	-30.5	-30.8	AMT	+	-25.5	-25.8	AMT	+
-13.5	-13.8	AAI	+	-24.0	-24.3	AMC	+	-31.0	-31.3	AMT	+	-26.0	-26.3	AMT	+
-14.0	-14.3	AAI	+	-24.5	-24.8	AMC	+	-31.5	-31.8	AMT	+	-26.5	-26.8	AMT	+
-14.5	-14.8	AAI	+	-25.0	-25.3	AMC	+	-32.0	-32.3	AMT	+	-27.0	-27.3	AMT	+
-15.0	-15.3	AAI	+	-25.5	-25.8	AMC									

NYSE COMPOSITE PRICES

OVER-THE-COUNTER

Nasdaq national market, 4pm prices March 1

Main table of NYSE Composite Prices listing various stocks with columns for High, Low, Stock, and Change.

Main table of Over-the-Counter prices listing various stocks with columns for High, Low, Stock, and Change.

AMEX COMPOSITE PRICES

4pm prices March 1

Table of AMEX Composite Prices listing various stocks with columns for High, Low, Stock, and Change.

Table of Over-the-Counter prices listing various stocks with columns for High, Low, Stock, and Change.

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AMERICA

Uncertainty over inflation strips Dow's earlier gains

Wall Street

THE CAUTIOUS stocks rally on the first two days of this week came to an end yesterday as pessimism about inflation and interest rates once again took hold, writes Janet Bush in New York.

The Dow Jones Industrial Average closed 15.55 points lower at 92.04 on moderately active volume of 177m shares. Shares had stood more than 20 points lower earlier in the afternoon.

There is still a great deal of uncertainty affecting stocks primarily questions about how near interest rates are to peaking after last week's tightening and increases in both prime rates and the discount rate.

Financial markets need to see conclusive evidence either that the economy is moderating at an inflationary pace or that it is beginning to react to successive tightening moves by the Fed over the last year. Until that evidence is available, trading may remain choppy. Bonds also turned lower yesterday.

The narrow range trading and rather anemic volume on Monday and Tuesday reflected some residual shock after last week's fall of nearly 80 points and a disappointing overall performance in February after

January's sparkling rally in all the major indicators.

Figures provided by Shearson Lehman Hutton show that the Dow Jones Industrial Average fell 3.5 per cent in February, the S & P Composite was down 2.9 per cent, the AMEX Market Value Index 0.2 per cent and the NASDAQ Composite 0.4 per cent.

There was little reaction in markets to mixed news on personal income and consumption. The income figure was much larger than expected and included a strong rise in wages and salaries, a component of inflation which Mr Alan Greenspan, Fed chairman, has repeatedly expressed concern about in his recent testimony. However, the consumption figure was weaker than expected.

One ominous development was the publication of a split report by the National Economic Commission, charged to find ways to cut the budget deficit. Although the Commission was known to be deeply divided, its report served to underline the difficulties faced by the Administration and Congress.

Among blue chip issues, Procter & Gamble slumped 1 1/2% to \$87 1/2. International Business Machines dropped 1 1/2% to \$119 1/2. F.W. Woolworth fell 3/4% to \$51 1/2 despite

improved earnings and Ford lost an early gain to close 3/4% lower at \$51 1/2.

Long Island Lighting Company added 3/4% to \$14 1/2 after the company signed an agreement with New York Governor Mario Cuomo to close the Shoreham Nuclear Plant permanently.

Columbia Pictures Entertainment added 1 1/4% to \$17 1/2 because of speculation that Sony or other foreign companies might wish to buy the celebrated studio.

Texas Eastern gained 3/4% to \$60 1/2. The company has agreed to sell its oil and gas exploration and production operations to Britain's Enterprise Oil for about \$1.4bn. Texas Eastern has received takeover bids from Coastal Corp and Panhandle Eastern.

Athlon Industries jumped 3 1/4% to \$34 1/2 on news that BSN Corp has acquired more than 5 per cent of its common shares.

Canada

TUMBLING gold shares drove the Toronto market lower in lacklustre trading.

The composite index, which had risen about seven points in earlier trading, slumped 20.6 to 3,551.6 as declines outnumbered advances by 404 to 273 on light turnover.

ASIA PACIFIC

Recovery is short-lived as profit-taking sets in again

Tokyo

AN EARLY show of strength evaporated as equities succumbed to profit-taking when concern over interest rates resurfaced, writes Michio Nakamoto in Tokyo.

Share prices rose early in the day with the Nikkei average up 25.16 shortly after the opening. The recovery was short-lived, however, and at the end of the morning, share prices had fallen back again. The Nikkei average, which was down by about 150 points just before the close, was bolstered by arbitrage activity and finished the day down 21.30 at 31,964.30.

The day's high was 32,281.49 while the low was 31,780.86. Declining issues outnumbered those that advanced by 508 to 400 while an additional 166 issues were unchanged. Turnover slipped to 1.01bn shares from Tuesday's 1.19bn.

The Topix index of all listed shares dropped 3.47 to 2,443.76. Later in London, however, the ISE/Nikkei 50 index rose 4 points to 1,958.29.

The renewed strength in equities in morning trading was attributed largely to dealer activity. "When it looked like buying was not going to pick up substantially after all, they turned around and sold," said one analyst.

This pattern of early buying followed by quick selling has been apparent over the past few days. With interest rates rising loomingly, investors are wary of keeping positions for long and are out to make quick profits, analysts said.

They are likely to remain cautious for the time being, at least until it is determined whether the West German Bundesbank will raise the Lombard rate.

There were further gains for issues related to the environmental protection theme. Inter-

est stems from forthcoming international conferences on the issue. Ebara, which makes pumps and air controls and has advanced technology for pollution control, was the most actively traded issue at 33.4m shares, rising ¥130 to ¥1,840.

Nissan, the auto maker, advanced ¥80 to a record high of ¥1,590 during the day, but after profit-taking closed up ¥10 at ¥1,540. Nissan has seen strong sales of recent models and demand is expected to increase when prices fall after the elimination of a luxury commodity tax in April.

Pharmaceuticals posted strong gains. Yamanouchi Pharmaceutical added ¥190 to ¥1,720 and Daiichi Selyaku increased ¥120 to ¥1,730.

The weakness of the yen hit bonds, which in turn depressed steel issues, which are interest rate sensitive. Kobe Steel dropped ¥20 to ¥880 and Nippon Steel lost ¥7 to ¥933 in spite of expectations that they would rebound once they have finished their financing.

Profit-taking hit issues that have risen recently on expectations that a new line for linear motor cars would be built. Fujii Electric, the second most heavily traded issue at 32.2m, dropped ¥10 to ¥1,180.

Investors took profits in Osaka and the TOPIX average dropped 125.12 to 30,149.85. Volume at 128.1m shares was slightly higher than the 125.41m traded on Tuesday. In spite of maintaining its strength in Tokyo, Nissan lost ¥10 to ¥1,540 in Osaka.

Roundup

NERVOUSNESS over possible interest rate rises remained in Asia Pacific markets, but share prices managed to end higher.

AUSTRALIA firmed on continued overseas demand, spurred by the prospect of currency gains, given the weak Australian dollar. The All

Ordinaries index rose 10.5 to 1,496.2, helped also by overnight gains on Wall Street.

Turnover was light, however, with some caution evident because of Tokyo's fall; only 55.5m shares worth A\$131.3m changed hands.

In industrials, News Corp rose 45 cents to A\$11.35. Other strong showings came from BHP, up 10 cents to A\$7.34 on turnover of 1.7m shares traded, and Elders IXL, up 4 cents at A\$2.93 with 2.5m shares.

HONG KONG traded nervously, with budget proposals of a half point cut to corporate tax to 16% per cent already discounted. The Hang Seng index added 23.49 to 3,037.07.

Turnover eased to HK\$1.34bn from HK\$1.4bn on Tuesday. Financial stocks were overall, but two exceptions were Bank of East Asia, which lost 30 cents to HK\$21.20, and Wing Lung, which reported 20 per cent higher profits on Tuesday but fell 50 cents to HK\$30.50.

Among property stocks, Cheung Kong rose 20 cents to HK\$10.50, Hongkong Land added 10 cents to HK\$11.10 and Sun Hung Kai Properties picked up 10 cents to HK\$14.40.

SINGAPORE recovered from early losses to end mixed on selective bargain-hunting, with the Straits Times Industrial index off 2.54 at 1,105.77 in turnover of 43m shares, down from Tuesday's 50m.

There was still caution about the state of overseas markets and the interest rate scenario. Plantation stocks were active after a newspaper report that Harrison's & Crossfields of the UK was planning to sell its 30 per cent stake in Harrison's Malaysia Plantations. Harrison's, which also went ex-bonus yesterday, plunged \$82.54 to \$82.30.

Consolidated Plantations saw 3.3m shares traded and fell 9 cents to \$82.50, while K.L. Kepong lost 26 cents to \$83.22.

Interest rates history weighs on Germany

Alison Maitland on the effect on Frankfurt of the Three Steps and a Stumble rule

IF HISTORY is anything to go by, investors in the West German stock market may be in for a hard time.

A rise in the discount rate, whether at today's Bundesbank meeting or in coming weeks, would be the fourth since the rate turned upwards in June 1988 after a period of stability at 2.5 per cent.

In four of the six occasions in the past 35 years when the Bundesbank has raised the benchmark discount rate at least three times in a row, investors "had difficulties making progress with their stock market investments," according to a study by Mr Gregor Gielen, senior vice-president of BHP Securities, the New York arm of BHP-Bank, the West German investment bank.

Even in the two cases where shares fell, the decline in the stock market reached its peak within the following four months.

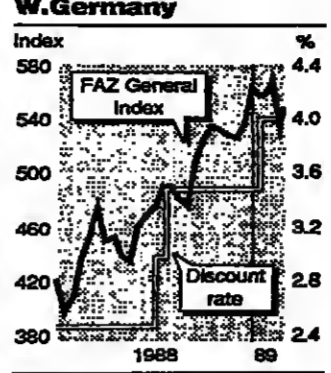
Mr Gielen is not saying we

should extrapolate blindly from the past. After all, this latest series of increases could prove the exception, and economic conditions are different. But he does say this is no time for "investment heroes" - if you believe in the seriousness of the Bundesbank.

Indeed, fears of another rise in key interest rates have already been weighing on the German market for most of this year, with the market generally weak since the third rise in the discount rate - from 3.5 per cent to 4 per cent - on January 19, although it bounced up sharply yesterday. If the Bundesbank does make a move today, some analysts feel it is likely to raise only the 6 per cent Lombard emergency funding rate, while others expect both rates to rise. Could we already have entered a medium-term decline in the equity market?

Mr Gielen took as his starting point the rule known as "Three Steps and a Stumble"

W. Germany



added to a decline in the stock market or broke an upward trend.

In the first case, it then took 13 months for the market to reach its low; in the second case it took eight months; in the third case the uptrend was broken although the market did not reach a low for two years; and in the fourth case the market reached a low five months later and took three years to escape from its trading range.

In the two remaining cases (1959-1960 and 1972-1973) share prices continued to rise after the third discount rate increase. In the former, the market reached a peak within four months from which it declined for two years and which it did not surpass for another 30 years. In the latter, the market fell back after about four months and hit a low two years after the rate increase.

The BHP study focuses on the discount rate because it

has a high profile and is easy to track. But the critical question for equities is whether the long bond yield rises above its current level of around 7 per cent, says Mr Gielen.

"In Germany, the long term bond yield is one of the most crucial points for the entire valuation of the market. As long as it is rising rather than falling, then it seems to be obvious that you don't need to own stocks. The yield yesterday in the federal government's recent 6% per cent 1989 bond was 6.96 per cent.

It is frequently argued that cash-rich German companies with low borrowings are unlikely to be severely dented by further interest rate rises, so the effect on the stock market should be limited. But if yields on long bonds account for an official interest rate higher - on the assumption that inflation is still rising - then equities could look less and less attractive.

EUROPE

Opinions diverge over Bundesbank meeting

THE WEST German market gave up worrying about today's Bundesbank meeting and calmed higher, but other bouts remained nervous about interest rate moves, writes Our Markets Staff.

FRANKFURT rose sharply in more active trading, blowing away the worries about higher interest rates which have depressed the market for the past two weeks.

The reasons for the rise were not clear-cut and analysts remained divided about whether the Bundesbank will increase interest rates at its regular council meeting today, and if so, whether the 6 per cent Lombard rate alone will rise, or whether the 4 per cent discount rate will climb too.

Yesterday's securities repurchase pact put extra liquidity into the market but at rates above the Lombard emergency funding rate and last week's repo tender rates, and this was taken by some as a sign that the Lombard rate would be raised.

However, there seemed to be a general feeling that a rise in the Lombard rate was already discounted in prices. "The market is immune to any increase," said one salesman.

A rise in the high-profile discount rate would be another matter, although Citicorp Scrimgeour Vickers points out that the likely size of the decline between the two key rates would be unusual. The Lombard/discount differential has not been wider than 2 percentage points since 1968, it says.

A more fundamental reason for the market's gains may have lain in Deutsche Bank's conference for fund managers, where it unveiled bullish forecasts of 7.5 per cent corporate earnings growth this year and 10 per cent in 1990. There was also good news on the current business climate in a survey from German employers' organisation.

The FAZ index gained 6.74 to 547.77 and the DAX closed 59 higher at 1,807.25 in volume worth DM3.54bn.

Daimler climbed DM19 to DM680. The stock has been seen as oversold and the group's chief executive said last week that the low rating of the shares was not justified by the likely size of the decline in 1988 earnings, due soon.

Insurer Allianz rose DM50 to DM1,740 on its agreement with Dresdner Bank for greater cooperation in product sales, news that was widely expected.

Dresdner added DM2 to DM308. PARIS was on hold as the caution of recent sessions tightened its grip, leaving volumes very low and share prices little changed.

The market was up about 1 per cent at midday in what was seen largely as a technical reaction to recent losses, but the CAC 40 closed off 6.40 at 1,574.67 and the OMF 50 index edged up 1.09 to 445.96.

The wait for news from the Bundesbank today crippled trading. One analyst in Paris said: "No one really knows what to do next."

Insurance group Midi was a feature again, rising FF73 to FF1,653, coming off a day's high of FF1,569. Analysts believe shareholder Generali will probably take its stake to 20 per cent in the next few months, adding some speculative interest, but much of the demand now is seen to be fundamental. Midi is expected to concentrate on its insurance activities, meaning probable sales of peripheral assets and short-term capital gains.

The assets disposal story added a speculative element to

Midi holdings, and property company Immeubles de la Plaine Monceau, 94 per cent owned by Midi, added FF20, or 5.4 per cent, to FF365, while Ciments Francais, in which Midi has a stake of about 13 per cent, put on FF19 to FF1,269.

MADRID saw the resumption of trading in Banco Central and Banesto after their three-day suspension for news of their failed merger. Share prices fell, with the general index off 0.85 at 268.61.

Central was steady at 950 per cent of nominal market value while Banesto gave up 2 points to 948 of par. One analyst said that while 370,000 Banesto shares changed hands in official trading, most deals were expected to be struck outside the official market. He thought the share prices would move

steadily lower over the next couple of weeks, supported by the banks themselves, and then fall substantially, with a floor of about 800.

AMSTERDAM gained ground in quiet trading, as investors kept one eye on events in West Germany and waited for today's Bundesbank meeting. The CBS tendency index rose 1.4 to 183.6.

Unilever gained 10 cents to Fl 126.70 after its 10 per cent rise in profits on Tuesday. Fokker was up Fl 1.10 at Fl 34.30 on a press report it had won a Fl 1bn order from Air Europe.

Medicopharma rose Fl 2 to Fl 61.50 on takeover talk in the wake of the collapsed bid from Hagemeyer.

ZURICH took its cue from Wall Street and the firmer dollar, gaining ground in strong early buying. The Credit Suisse index added 4.3 to 588.9, off its highs as demand slackened towards the close.

SWISS CORP came out with record annual profits, in line with expectations, but left its dividend unchanged. SBC bearers added SF4 to SF390, having been up SF9.

MILAN remained preoccu-

pled with domestic concerns as the cabinet met to discuss the budget deficit. Share prices managed small gains on the day, with the Comit index adding 1.17 to 578.65. BNA dropped L1,140 to L12,000 in the wake of the stake taken by Credito Italiano.

BRUSSELS moved higher in the absence of a local interest rate rise, but trading remained cautious. The rise was partly a consolidation after sharp falls this week. The cash market index gained 26.82 to 5,890.25.

Holding company Gevaert, which announced a 3 per cent stake in Dutch insurer Aegon, rose BF400 to BF78,400.

STOCKHOLM edged upwards in light, mid-winter holiday trade, with the Aftersvarden index up 1.9 to 1,083.7.

SEK, the ball bearings maker, which reported a 22 per cent rise in 1988 profits on Tuesday, saw its free B shares gain SKR22, or 4.8 per cent, to SKR172.

OSLO was encouraged by higher prices for Norway's North Sea oil and the all-share index found 3.82 to 415.08. Saga Petroleum rose NKR5.50 to NKR124.50.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wnd Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

Table with columns for NATIONAL AND REGIONAL MARKETS, WEDNESDAY MARCH 1 1989, TUESDAY FEBRUARY 28 1989, and DOLLAR INDEX. Rows include Australia, Austria, Belgium, Canada, Denmark, Finland, France, West Germany, Hong Kong, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Singapore, South Africa, Spain, Sweden, Switzerland, United Kingdom, USA, Europe, Nordic, Pacific Basin, Euro-Pacific, North America, Europe Ex. UK, Pacific Ex. Japan, World Ex. US, World Ex. UK, World Ex. So. Af., World Ex. Japan, and The World Index.

Base values: Dec 31, 1986 = 100; Finland: Dec 31, 1987 = 115.037 (US \$ Index), 90.791 (Pound Sterling) and 94.94 (Local); Nordic: Dec 30, 1986 = 139.65 (US \$ Index), 114.45 (Pound Sterling) and 123.22 (Local). Copyright: The Financial Times Limited, Goldman, Sachs & Co., and County NatWest Securities Limited, 1987. Resulting from the recent recalculation for Denmark, further necessary amendments have been made to the Nordic index. Corrected daily indices available from FT Prices; Tel: London (01) 403 0669.

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